Daily Report

Latin America

FBIS-LAT-96-082
Friday
26 April 1996

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Latin America

FBIS-LAT-96-082 *26 April 1996*

CONTENTS

CARIBBEAN

Cuba

Cuba: 'Anti-Castro' Group Member Said Sentenced to Death *[Madrid EFE]* 1
Cuba: 'Irrefutable' Evidence on 24 Feb Downings *[Havana Radio]* 1
Cuba: 'Anti-Castro' Exile Said To Receive Death Sentence *[NOTIMEX]* 1
Cuba: Trial Against 'Counterrevolutionary' Group Ends *[Havana TV]* 2
Cuba: U.S. 'Moral Authority' on Human Rights Questioned *[PRENSA LATINA]* 2
Cuba: Official Comments on UN Rights Commission Voting *[Havana TV]* 3
Cuba: 'Intransigent' Miami Groups 'Playing With Fire' *[PRENSA LATINA]* 3
Cuba: Robaina, Gurria Sign Legal Cooperation Accord *[PRENSA LATINA]* 4
Cuba: R. Castro Interviews Provincial Secretaries *[Havana Radio]* 4
Cuba: R. Castro Congratulates Antonio Maceo CAI Workers *[Havana Radio]* 19
Cuba: R. Castro Speaks at Playa Giron Ceremony *[Havana TV]* 20
Cuba: Construction Ministry Ends Cayo Hueso House Repairs *[Havana TV]* 20
Cuba: Russia's Aeroflot Resumes Flights to Havana *[PRENSA LATINA]* 21

MEXICO

Mexico: Labor Unions, Small Business Sector To Protest *[Mexico City Radio]* 22
Mexico: U.S. Loans Said 'No Reason To Stop Helping Cuba' *[Mexico City TV]* 22
Mexico: Working Session of U.S., Mexico Group Ends *[Mexico City TV]* 23
Mexico: DEA Official Constantine's Remarks Rejected *[Mexico City Radio]* 23
Mexico: Senators' Commitment To Vary 'Zedillo Law' *[EL FINANCIERO 23 Apr]* 24

CENTRAL AMERICA

Honduras

Honduras: Reina Says C.A. Heads Sent Message to Wasmosy *[Madrid EFE]* 25

Nicaragua

Nicaragua: Chamorro, Officials Designate Historical Park *[Managua Radio]* 25

Panama

Panama: Manager of Castrillon's Accounts Arrested *[EL SIGLO 24 Apr]* 27
Panama: More Security To Deter Drug Trafficking Threats *[EL PANAMA AMERICA 25 Apr]* 27
Panama: 14 People Linked to Castrillon Henao Arrested *[EL UNIVERSAL DE PANAMA 25 Apr]* 27

SOUTH AMERICA

Argentina

Argentina: Wasmosy Congratulated for Handling of Crisis *[TELAM]* 29
Argentina: Menem Promises Fujimori To Probe Arms Case *[TELAM]* 29
Argentina: UCR Accuses Minister of Falsifying Records *[NOTICIAS ARGENTINAS]* 29
Argentina: Gagliardi Sworn In as Senator for Rio Negro *[NOTICIAS ARGENTINAS]* 30

Argentina: New Naval Aviation Sea Patrol Squadron Debuts *[TELAM]* 30

Brazil

Brazil: Santos Appointed Congressional Affairs Minister *[Brasilia Radio]* 30
Brazil: Appointment of Agrarian Reform Minister Confirmed *[Brasilia Radio]* 31
Brazil: PSDB President Views Administration's Performance *[O ESTADO DE SAO PAULO 21 Apr]* 31
Brazil: Commentary Notes 'Concern' Over Public Area Debt *[FOLHA DE SAO PAULO 18 Apr]* 32
Brazil: Bahamas Seeks Money Laundering Pact With Nation *[O GLOBO 23 Apr]* 33
Brazil: Ministry Grant Delay Slows Reform Process *[JORNAL DO BRASIL 18 Apr]* 33
Brazil: Electric Sector Privatization Obstacles Seen *[JORNAL DO BRASIL 19 Apr]* 34
Brazil: Opposition Merges on CVRD, Election Issues *[JORNAL DO BRASIL 18 Apr]* 34
Brazil: Governors Join Forces To Avoid Bankruptcy *[JORNAL DO BRASIL 18 Apr]* 35

Chile

Chile: 'Unrestricted Defense' of Paraguay Democracy Upheld *[Madrid EFE]* 36
Chile: PDC 'Freezes' Ties With PS Over CUT Election *[EL MERCURIO 21 Apr]* 36
Chile: Velasco on Criticism of Antinarcotics Efforts *[EL MERCURIO 19 Apr]* 37
Chile: Negotiations for Accord With EU Enter Final Stage *[EL MERCURIO 20 Apr]* 38

Colombia

Colombia: Government Communique Rejects Strikes *[Santa Fe de Bogota Radio]* 39
Colombia: Senate Approves Internal Disturbance Extension *[Santa Fe de Bogota Radio]* 39
Colombia: Antioquia Official Views 'Public Order Zones' *[Santa Fe de Bogota Radio]* 39
Colombia: Search Bloc Conducts 40 Raids in Valle del Cauca *[Santa Fe de Bogota Radio]* 40
Colombia: Editorial Sees Duty of Citizenry To Lift 'Seige' *[EL ESPECTADOR 21 Apr]* 40
Colombia: Commission Ends Samper Investigation *[Santa Fe de Bogota Radio]* 40
Colombia: Liberal Party Leaders Consult VP on Crisis *[Santa Fe de Bogota TV]* 41
Colombia: Liberal Party 'Mutiny' Predicted for Election *[SEMANA 16-23 Apr]* 41
Colombia: Serrano Warns Mexico on Cali Drug Involvement *[Mexico City Radio]* 42
Colombia: Effects of Military Budget Deficit Viewed *[SEMANA 12-23 Apr]* 42
Colombia: Samper on Development Plan Achievements *[EL TIEMPO 23 Apr]* 43

Ecuador

Ecuador: MOMEP Says Calm Prevails on Border With Peru *[Madrid EFE]* 44

Paraguay

Paraguay: Wasmosy 'Not To Appoint' Oviedo as Minister *[Lambare Radio]* 45
Paraguay: Oviedo Addresses Supporters at Republic Square *[Lambare Radio]* 46
Paraguay: Argana Faction Denies Link With Pro-Oviedo Group *[Asuncion TV]* 50
Paraguay: Seifart Views Outcome of Institutional 'Crisis' *[ULTIMA HORA 25 Apr]* 50
Paraguay: Brazilian Envoy on 'Serious' Nature of Crisis *[O GLOBO 25 Apr]* 51
Paraguay: EU Communique on 'Weathering of Crisis' Noted *[Asuncion Radio]* 52

Peru

Peru: OAS Head Says Paraguayan Democracy 'Jeopardized' *[Madrid EFE]* 52
Peru: Ecuador Accused of Not Registering Weapons Purchase *[Lima TV]* 53
Peru: Government To Liquidate Unprofitable State Firms *[Madrid EFE]* 53

Venezuela

Venezuela: Murders of National Guards at Border Condemned *[Madrid EFE]* 54

Venezuela: Ministry Says Colombian Rebel Attacks 'Serious' *[EL UNIVERSAL 22 Apr]* 54
Venezuela: Interior Minister Says 'Everything Calm' *[EL UNIVERSAL 20 Apr]* 55
Venezuela: Minister Signs Pact With IMF Representatives *[Caracas TV]* 55
Venezuela: Conflicts Within MAS Viewed *[EL NATIONAL 6 Apr]* 56

Cuba

Cuba: 'Anti-Castro' Group Member Said Sentenced to Death

PA2504152296 Madrid EFE in Spanish 1439 GMT 25 Apr 96

[FBIS Translated Text] Havana, 25 Apr (EFE) — A member of an armed anti-Castro group who tried to enter Cuba surreptitiously in October 1994 has been sentenced to death, human rights activist Elizardo Sanchez Santacruz has reported to EFE. The trial of the seven members of the armed group was held yesterday at the Crimes Against State Security courtroom in Villa Clara Province's tribunal, some 300 km from Havana, and concluded late after midnight last night. Humberto Real Suarez and six other persons were arrested after landing in Caibarien on 15 October 1994 from the United States. Suarez shot to death the occupant of a vehicle he tried to commandeer, according to the official version of the incident.

Cuba: 'Irrefutable' Evidence on 24 Feb Downings

PA2504201796 Havana Radio Rebelde Network in Spanish 1700 GMT 25 Apr 96

[From the "National Radio News" program]

[FBIS Translated Text] Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government, has reported that Cuba has come up with new and irrefutable evidence on the 24 February downing of two pirate planes out of Miami that violated Cuban airspace. Alarcon also confirmed that Cuba has cooperated in full in the International Civil Aviation Organization's [ICAO] ongoing investigations. Alarcon said: Clearly, the ICAO is under tremendous pressure not to issue a fair ruling after investigations are completed on 6 May.

Cuba: 'Anti-Castro' Exile Said To Receive Death Sentence

PA2504213396 Mexico City NOTIMEX in Spanish 1907 GMT 25 Apr 96

[FBIS Translated Text] Havana, 25 Apr (NOTIMEX) — Today, opposition sources disclosed that an anti-Castro exile accused of homicide during an armed attack in Cuba in 1994, and who was tried in the central province of Villa Clara, might receive the death penalty in the coming days.

In the trial, which concluded and is awaiting sentencing on Thursday, Prosecutor Edelmira Pedriz confirmed her request of the death penalty for Humberto Eladio Real Suarez, the main accused, and 30 years of prison for the other six accused, the sources revealed.

Cuban Foreign Ministry spokeswoman Marianela Ferriol, sought by reporters to give the official version of the trial, said that she did not have anything to report on the case.

Although access was restricted, Jorge Bacallao and Manuel Cuesta, members of the outlawed Cuban Human Rights and National Reconciliation Commission (CCDHRN) and opposition activist Ana Agramonte were able to attend the trial as independent observers.

The final hearing of the trial was held at the State Security Room of the People's Provincial Court in Villa Clara, 287 km east of Havana, and it went on uninterrupted for 16 hours, from Wednesday to the early hours of Thursday.

According to the activists' report, which was obtained by NOTIMEX, the seven accused were charged with committing terrorist actions and shooting firearms, while Real Suarez was also accused of homicide.

The activists' report adds that Real Suarez' relatives sent messages to Pope John Paul II, Mexican President Ernesto Zedillo, the Kings of Spain, and Danielle Mitterrand, president of a French humanitarian organization, asking them to intercede to spare Real Suarez's life.

If the court sentences him to death, the sentence will automatically go for appeal at the Supreme Court, and then at the State Council, which should issue a definitive ruling.

The six accused in addition to Real Suarez were identified as Miguel Diaz, Armando Sosa, Jose Falcon, Jesus Rojas, Pedro Guisao, and Lazaro Gonzalez.

The group carried out an armed attack in the north central coast of Cuba on 15 October 1994. As a result of this attack, Arcello Rodriguez Garcia, local leader of the ruling Communist Party of Cuba (PCC), was killed in the town of Caibarien, in Villa Clara Province.

The Democratic National Unity Party (PUND), a Miami-based anti-Castro paramilitary group, claimed responsibility for the attack.

An official report disclosed slightly after the incident pointed out that the attack was stifled by Cuban forces in "a matter of hours."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba: Trial Against 'Counterrevolutionary' Group Ends

PA2604051896 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 26 Apr 96

[Report by Boris Fuentes; from the "NTV" newscast]

[FBIS Translated Text] The Crimes Against State Security courtroom of the provincial Villa Clara Tribunal was site of a public trial against seven citizens who on 14 October 1994 tried to enter our country from the United States through the area of Caibarien-Cayo Santa Maria land causeway to carry out actions against national security.

These individuals arrived in Cuban territory in a speed boat with a large amount of weapons and ammunition. Their mission was to climb the Escambray mountains to create guerrilla columns and commit actions against our country. These persons who had the rank of captains, supposedly would direct those groups.

Once in the land causeway, three of the defendants intercepted a Lada car in which four comrades who had been fishing in the area were returning. Almost without saying a word, one of the defendants pointed his rifle and fired at a defenseless young man who was in the car. Seconds later, the group boarded the car and headed to the Caibarien exit road, where they were arrested by a CDP [expansion unknown] who was guarding the equipment of the Campana contingent of Las Villas. The others were arrested minutes later by Interior Ministry forces.

The details on the incident were disclosed at the public trial where it was also learned that the individuals who came from the United States were recruited by the counterrevolutionary organization National Unity Party [Partido de Union Nacional] with headquarters in 17th Northwest Avenue in Miami.

At the trial they also recognized the good treatment and medical attention they received from the Cuban Government from the time of their arrest.

After more than 10 hours of trial, during which the defense lawyers broadly presented their arguments, the prosecutor based on the evidence that proved that they had committed crimes against state security including sabotage and using firearms against specific persons, requested the death penalty for Humberto Eladio Real Suarez, who killed a defenseless youth who was fishing in the Caibarien land causeway. For the other six individuals the prosecutor requested a sentence of 30 years in jail.

The court's president declared the trial closed for sentencing, which will be known in the next few days. Regardless of the sentence issued by the provincial tribunal, according to Cuban laws the defendants have a right to appeal before the People's Supreme Court.

Cuba: U.S. 'Moral Authority' on Human Rights Questioned

PA2504194596 Havana PRENSA LATINA in Spanish 1611 GMT 24 Apr 96

[By Miguel Lozano]

[FBIS Translated Text] Mexico City, 24 Apr (PL) — Cuban Foreign Minister Roberto Robaina today said that the United States has no moral authority to accuse his country of violating human rights, while thousands of Mexican citizens are being beaten up and murdered in U.S. territory.

In reference to the approval yesterday by the Human Rights Committee in Geneva of an anti-Cuban resolution sponsored by the United States, Robaina said that it would have been useful to hear in that meeting the testimonies of thousands of Mexicans who have been mistreated or murdered in U.S. territory.

Shortly after departing for his country after participating in the seventh meeting of the Intergovernmental Mixed Commission in Mexico City, Robaina said that the U.S. blockade against his country violates the human rights of approximately 11 million Cubans.

Speaking before representatives of the Mexican Movement of Solidarity With Cuba, which gave a donation of computers and medicine, Robaina stressed that the U.S. Government lacks morality.

He said he disagrees with those who accuse Washington of having a double standard reagarding human rights, because in order to have a second set of morals, one has to already have one set, which the United States does not.

At a previous news conference, Robaina termed as positive the results of the intergovernmental meeting held here on 22-23 April, during which Mexican authorities reaffirmed their opposition to the U.S. blockade against Cuba and the attempts to reinforce it.

Within that context, Mexican Foreign Secretary Jose Angel Gurria criticized the Helms-Burton law, with which Washington is trying to increase its pressure on Cuba.

Mexico is opposed to the Helms-Burton law because it violates international law, contains unacceptable extraterritorial principles, and is a precedent that could lead to applying similar measures to other states under certain circumstances, Gurria said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

He stressed tha the Helms-Burton law also affects Mexico and other countries that want to maintain relations with the Caribbean island. For that reason, he said, the U.S. law has been broadly rejected by many countries, including the EU, Canada, and other members of the Rio Group.

The law, he added, could have negative effects for 36 countries that have more than 200 investment and joint investment projects with Cuba, as well as for more than 600 foreign companies having commercial links with that country.

After noting that there are many problems in the continent that affect us all, regardless of the ideology we follow, such as poverty and unemployment, Gurria defended the need to join regional efforts to face those challenges. On that basis, he stressed the importance of fully reintegrating Cuba into the hemispheric community.

Cuba: Official Comments on UN Rights Commission Voting

PA2504214196 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 24 Apr 96

[From the "NTV" newscast]

[FBIS Translated Text] Today in Geneva, the UN Human Rights Commission has studied an anti-Cuban proposal submitted by the U.S. Government. Reporter Hector Martinez spoke with Abelardo Moreno, multilateral affairs director of the Cuban Ministry of Foreign Relations, on this topic:

[Begin recording] [Moreno] As you know, the proposal against Cuba presented year after year in the Human Rights Commission is part of the aggressive campaign by the United States against our country. Such a proposal, submitted this time by Bob Menendez — a Cuban-American congressman, was examined this morning. His address elicited a strong response by the Cuban permanent delegate in Geneva, who reminded the Human Rights Commission that Bob Menendez was not really addressing the Commission, but rather the U.S. electorate, because it formed part of his electoral campaign as a New Jersey congressman.

[Martinez] How did the Commission vote this year on the U.S. proposal?

[Moreno] Support for U.S. proposals against Cuba in the Human Rights Commission has been diminishing with each passing year. There were only 20 votes for this year's proposal, by a Commission made of 53 members, amid the overwhelming pressure by the United States on all the members of the Human Rights Commission to support the proposal. The outcome is undoubtedly significant. Yet, the Yankee proposal had eight fewer countries supporting it than last year.

I believe that the fact that the number of votes supporting the United States declines with each passing year clearly shows that a growing number of countries are becoming aware of the truth about the U.S. manipulation of the human rights issue against Cuba. Suffice is to say that only 38 percent of the Human Rights Commission members voted for the U.S. proposal.

[Martinez] What was the Cuban Government's official position on this proposal?

[Moreno] One of the basic aspects of the proposal is the extension of the mandate of the so-called special rapporteur. This special rapporteur is a spurious judicial figure, created and manipulated by the United States, who is selective, discriminatory, unjustified, and has never been nor ever will be accepted by the Cuban Government or people. [end recording]

Cuba: 'Intransigent' Miami Groups 'Playing With Fire'

PA2504202996 Havana PRENSA LATINA in Spanish 0227 GMT 25 Apr 96

[By Javier Rodriguez]

[FBIS Translated Text] Havana, 24 Apr (PL) — Ships and planes that departed from U.S. territory repeated a risky propagandistic act with a display in the high seas as part of an effort to further heat up the political atmosphere in the area.

Although a lower-scale operation was involved — there is talk of a few ships and two lightplanes — and no violation of the island's sovereignty was reported, according to the Cubans, the action is a dangerous step that could lead to very complex consequences.

Moreover, members of the most recalcitrant Cuban-American groups headquartered in Miami, stated that, despite the serious consequences such incidents could provoke, they will repeat these types of activities on 1 May.

It has not been reported, at least not publicly, that Washington has adopted measures to prevent the departure from its ports and airports of these groups, even after a violation of the island's airspace led to the downing of two of the planes manned by aggressive individuals of Cuban origin.

These new flotillas started their journey even before the conclusion of an investigation into the 24 February incidents by the International Civil Aviation Organization

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

(ICAO) to which, according to parliament President Ricardo Alarcon, Cuba presented irrefutable evidence of that provocation.

An interesting fact is that today's developments took place as the conclusions of the 1995 report of the International Institute for Strategic Studies (IISS) was released in London. This report paid special attention to the international security problems of that year.

As for the conflict between the United States and Cuba, it categorically stated that the Caribbean island is a country against which "the American power has maintained a mini cold war" not in keeping with the logic of the global changes in today's world.

The IISS document, which was made public, states that the United States is isolated in its attempt to impose sanctions, which were recently intensified, on Cuba. It adds that the U.S. attitude of retaliating against those trading with Cuba caused negative reactions among many countries.

Cuban leaders have warned on several occasions that a repeat of actions such as those of 24 February could have truly unpredictable consequences for the relations between Cuba and the United States and for peace in the region.

This is why many claim that in attempting to maintain the most intransigent positions, groups in Miami are playing with fire, which could burn them irreparably.

Cuba: Robaina, Gurria Sign Legal Cooperation Accord

PA2504231996 Havana PRENSA LATINA in Spanish 2223 GMT 23 Apr 96

[Article by Miguel Lozano]

[FBIS Translated Text] Mexico City, 23 Apr (PL) — Today, Cuba and Mexico agreed to strengthen their already excellent relations despite the U.S. pressure to prevent countries from doing business with Cuba.

Roberto Robaina and Jose Angel Gurria, Cuban and Mexican foreign ministers, respectively, signed the final document of the 7th meeting of the Intergovernmental Joint Commission. The document firmly criticizes the U.S. attempts to include other countries into the more than 30-year blockade against Cuba.

The two-day meeting praised the results of the smooth communications between both countries and the process of seeking and developing new bilateral cooperation systems.

Both delegations agreed that the Mexican-Cuban political relations have maintained excellent because of the interest of both governments in strengthening the historical ties of friendship and cooperation.

The determination of the delegates to establish a permanent information and consultation mechanism to increase exchange and dialogue, "making it more fluid and flexible at the different levels," was part of the political achievements.

The document underscores the fact that during the talks, Gurria reiterated Mexico's position in regard to the U.S. economic, trade, and financial blockade against Cuba, emphasizing its rejection of the unilateral aggressive measures.

Gurria also noted that it is up to the Cubans to decide on self- determination, without foreign interference. Furthermore, he criticized the Helms-Burton law, which aims to penalize businesses from other countries for trading with Cuba.

The document conveys Mexico's position, which is that the Helms Burton law is unacceptable in light of international law, as it aims to implement domestic regulations beyond U.S. territory and bring under its jurisdiction actions taken by other countries.

Mexico and Cuba also defined their positions in regard to important regional and international issues, such as, the desire to prompt integration into the Association of Caribbean States [ACS] and support Ibero-American summits.

The need to implement reforms to the UN Security Council, such as its expansion and establishment of balanced geographical representation was among the issues discussed at the meeting.

Cooperation accords on bilateral legal assistance, penal matters, and serving of sentences were signed. Mexico expressed satisfaction with Cuba's support of its proposal of holding a world summit against drug trafficking in 1998.

After the signing of the document at the Mexican Foreign Ministry, Robaina, who called the meeting positive, said relations between Mexico and Cuba clearly demonstrate that it is possible to become closer based on mutual respect and sovereignty.

Cuba: R. Castro Interviews Provincial Secretaries

PA2504141496 Havana Radio Rebelde Network in Spanish 1730 GMT 22 Apr 96

["Interview" with Cuba's Communist Party, PCC, first secretaries from the eastern provinces, the heads of the three armies, and Agriculture Minister Alfredo Jordan Morales by Raul Castro, second secretary of the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

PCC Central Committee and head of the Revolutionary Armed Forces Ministry, in Bayamo on 21 April; from the "Doing Radio" program — recorded]

[FBIS Translated Text] [Host Felix Garrido] As our Commander in Chief Fidel Castro has said, eastern Cuba did not split; it multiplied itself and gave the fatherland five new, vigorous, and strong provinces. These provinces, including Camaguey, have just marked the 35th anniversary of the foundation of the mighty army [senor ejercito]: The Eastern Army, which has just won the distinction of best command in our Revolutionary Armed Forces [FAR]. I think that the eastern provinces, including Camaguey, are currently in good conditions, as is their Army. However, I want a special collaborator from the "Doing Radio" program to make this assessment. He is our FAR minister, Army General Raul Castro, whom we have the honor to have here today for the benefit of the entire "Doing Radio" audience throughout the nation.

Minister, good morning. The "Doing Radio" microphones are yours.

[Castro] Good morning, good morning, Garrido and the entire "Doing Radio" audience. As you know, I am a voluntary collaborator of this significant program of our always heroic Radio Rebelde. We are meeting here with the six first secretaries of these eastern provinces, including Camaguey. We just watched a magnificent parade marking the Army's 35th anniversary. We would like to make a summary, as Sanabria [not further identified] asked us to do, on the state of the economy, including the sugarcane harvest and food production, which are the two main tasks that have steered our party and our commander in chief through the times our country is experiencing. I believe that no one is more suitable to be here than these party leaders from the aforementioned provinces. Let us start with Guantanamo. The PCC secretary in Guantanamo is Rider Diaz.

Answer this question and be very brief and concise: How is the sugarcane harvest and food production coming along in your province in this first quarter of 1996?

[Diaz] The harvest in Guantanamo ends on 25 April with a 32-percent increase in output. It is coming along well; three of the provinces' six sugar mills have already fulfilled their production plans. The harvest has evolved as predicted, with high production yields. All we have to do now is to continue to grow [words indistinct] even though we have been unable to fulfill the expected plan of being able to have 10,000 caballerias of sugarcane the Guantanamo Province had before.

As for food production, the quarter ended with a 166 percent production over what was planned: 564,000 quintals of tubers and vegetables, which is twice as much as what was produced during the same period in 1995 [words indistinct] for the first and second time recovered and again broke its all-time production record, as well as Valle de Guantanamo with the [words indistinct] and other crops. We still have a lot to do, especially in the battle with grains and food, and pork and poultry production. This is the situation we have, and a 16-percent increase in the economy of [words indistinct].

[Castro] You still have a U.S. base there, don't you?

[Diaz] We still have a U.S. base there.

[Castro] Some day we will recover it peacefully to hand it to the Guantanamo people and the rest of the Cuban people, who are its true owners. A question for Guantanamo residents. How is food production in Baracoa, the beautiful [primada] city?

[Diaz] Production in Baracoa has been improving...

[Castro, interrupting] What do you mean with has been improving?

[Diaz] Well, from a difficult situation two months ago. At this time, there are 20 pounds per capita. For the first time, there is a yam production, and the malanga root, which had disappeared from this municipality, has been planted.

[Castro] Oh. Well, we will be visiting you soon to personally meet with the people of Baracoa. Now, tell me how are things in Maisi and with my friend Dioscoride, first secretary of the municipality of Maisi. How is coffee and food production in Maisi?

[Diaz] Doing quite well. This municipality started the year 1996 by providing various produces to the city of Guantanamo...

[Castro, interrupting] Something which Baracoa has not yet been able to accomplish.

[Diaz] No, Baracoa is not yet been able to do this. Production in this region is still insufficient. The coffee harvest period in the municipality of Maisi, which ended in the month of January, was the best in the country. Coffee production was 1,100,000 quintals, and the region only has to produce 200,000 quintals more to reach a record high, and I personally believe it will be accomplished in the next two weeks.

[Castro] The next [words indistinct]

[Diaz] [words indistinct] I believe the total 1,300,000 quintals will be accomplished by March. Maisi is the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

first municipality to have already met its 1996 defense production targets.

[Castro, interrupting] Then to the most eastern of the eastern regions, headed by their its first secretary, Comrade Dioscoride, the Armed Forces sends its warmest regards. Let us now cross over to another region close-by, to the cousins of the people of Guantanamo, Santiago de Cuba which is located to the west. Even though this region's first secretary is originally from Guantanamo, he is now fully from Santiago de Cuba. Comrade [Juan] Robinson, tell me something about the same issues I just asked Rider.

[Robinson] Well, Mr. Minister, we...

[Castro, interrupting] In addition, tomorrow we should be summarizing the results of the evaluation the Political Bureau carried out to your province. With respect to this issue, please do not make any comments at this time since after the summary of evaluation has been completed we plan to ask you more questions over the "Doing Radio" program, and I sincerely hope you will be prepared for the clobbering we have in store for you. [laughter]

[Robinson] Well, Mr. Minister, with respect to the sugar harvest, the production plan is scheduled to end on 23 April. Sugar mills No. 4 and 5 will be completing their production plan by tomorrow, 22 April and the entire province is scheduled to conclude on the 23d. At any rate, we are placing special emphasis on preparing the next harvest. Agriculture production levels are still somewhat low, and UBPC [Basic Cooperative Production Units] consolidation level are still insufficient. At this time, I believe our main efforts should be directed towards upgrading the plantations which is what will guarantee the growth levels we are estimating for 1997.

In addition, we seek to create the conditions that will ensure the close to 300,000 metric tons of sugar estimated for 1998 when, as you are well aware, we will be commemorating the 45th anniversary of the assault of Moncada Barracks. In general, food production throughout the province, has been following the same trend as in other regions. In other words, food production is increasing. However, if we refer specifically to tuber and vegetable production, we can say that for the first time we have been able to produce 457,000 quintals during the first quarter of the year, 100,000 quintals more than during the previous period.

Nevertheless, we still have the problem of diversification to contend with. Even though the latest production rate brings us closer to the 2 million quintals of tuber and vegetables we have been able to produce for the first time in our province, undoubtedly, there are still other items that we are not producing enough of. Milk and egg production are still very low. Industrial food production, although increasing, is still considerably lower than its true potential. We definitely still have a lot to do. This is why, whenever we discuss this issue with our comrades, we place more emphasis on what we still have to accomplish since there is much to be done.

However, considering the results we have been obtaining, there is much to feel elated about. I would like to announce that as of now we have practically 300,000 quintals of potatoes in cold storage. This amount ensures a stable distribution throughout the year until the next harvest. To this we have to add a somewhat similar amount, close to 300,000 quintals of other goods, that are being distributed to the population through various distributions mechanisms. At any rate, I reiterate that priority must be geared toward what we still have to do, as you pointed out, because that is the way it should be.

I want to take advantage of this exceptional opportunity of having been interviewed by this great collaborator of Radio Rebelde to share with you the joy we all felt over the victory in baseball. I am confident that if we take that spirit of battle with which ball players participated in the first Revolution Cup to all fighting fronts, we will have much more reasons to feel proud, as we feel, about the Army and all the work that is being carried out.

[Castro] Very well. Although I am a member of the Cuban team, I don't conceal my admiration for the team of Santiago de Cuba. In other words, I also want to take this opportunity, on behalf of the Armed Forces, to congratulate Santiago de Cuba ball players. And those who have to go to the Olympic Games, you had better get ready to play ball because that is going to be tough.

[Unidentified reporter] Minister, with your permission. I also believe that Robinson could talk a little about people from Santiago de Cuba living outside Santiago.

[Robinson] The fact we left this for last does not mean it is less important. When we talk about people from Santiago de Cuba living outside Santiago, we can talk about the thousands of Santiago de Cuba citizens who live... [words indistinct] who were born there and are in other places. But in particular, I will refer to the few thousands of Santiago citizens living in Ciego de Avila, Varadero, Bayamo. They are also on the front lines as an example of what I just indicated, showing a intelligent attitude toward the task at hand, showing a spirit of goodness, showing they want to achieve results.

Listen, in Ciego de Avila, a province where for years we have made a great investment in terms of organizational and structural effort working together with the comrades

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of the party and government leadership from that sister province, a page of honor and glory is being written today. And I am not inclined to praise others, but today we must to recognize the outstanding effort being carried out by Santiago people in Ciego de Avila in agriculture. But it is well known they are carrying out this effort not only in agriculture, not only in the potato production. Regarding the potato production, we are sure that for the second consecutive year production will exceed the 500,000 quintals of potatoes in addition to another 500,000 quintals of other products. We are confident this will be done this year in the province. We have made significant accomplishments and there is still one year ahead.

I must also refer to what they are building in Cayo Coco. Despite the fact the wonderful, exceptional visit our commander in chief made has been widely reported on, these comrades have been working for several years on this front, the important front of the tourism industry investment. There are also Santiago citizens in Bayamo producing foodstuffs for the city of heroes. But I must also mention the nearly 1,000 Santiago citizens who, today, in Holguin Province, contribute to conclude the sugarcane harvest in this province. I am absolutely convinced we will also come out victorious here.

Santiago, given its characteristics, receives the cooperation from all provinces comprising the Eastern Army and the entire country. But today, with satisfaction, we can talk not only with pride but also with results about what Santiago citizens are doing in other sisterly provinces. That reciprocity, that spirit of cooperation, that unity has been and will always be the same winning factor that enabled our Eastern Army, in that interrelationship, to accomplish the results it can show today. This gave the Eastern Army the name of command with best results in the Revolutionary Armed Forces.

[Castro] [words indistinct] I heard that for 1998, when we will commemorate the 45th anniversary of the assault on Moncada Barracks, [words indistinct].

[Robinson] Well for 1998, we have established a set of important goals. We must somehow come close to the production targets in a number of fields, where results are difficult to achieve. We just had a bad coffee harvest, and I believe we must now work intensely not only to bounce back in 1997 but also in 1998, when we must definitely meet our target. To that end, we will have to undertake a great effort.

The production of beef, which is one of the parts of food production where we are still dissatisfied with the results not only because they are low but because they are very far from the potential, must also improve a recovery level that will permit us to come close to the historical record. I believe this is possible.

The production of tubers and vegetables must reach in 1997 and 1998 over 2 million quintals. You are aware of the geographical and soil limitations of the province. Therefore, this represents an effort that, together with what is being done in Ciego de Avila, must bring production for the Province of Santiago de Cuba, which has a little over 1 million people, to 3 million quintals.

That would be 300 lbs [as heard] produced by agriculture and to this we must add all the self-sufficiency [words indistinct] with which we are working. In 1998 we must achieve a sugar production and an efficiency, because this is another reserve we have, to raise Santiago sugar production levels to about 300,000 metric tons. This year we will produce 235,000 metric tons compared to 200,000 last year. We will not only ensure that all mills meet or surpass their goals, but for the first time we will start to deal with the stumps, because if this is not done, we will not achieve high yields; if we do not take care of the fields there will be no more sugarcane. Our goal is not only to achieve figures but also to see what comes later, because often we meet plans without realizing we jeopardized the future, and are working on this.

Nevertheless, minister, this year will be the 40th anniversary of the FAR and the 40th anniversary of the rebellion of Santiago de Cuba. We must tackle many problems. The party leadership, the government, all revolutionary forces of Santiago are focusing their efforts to explore this potential, to stir the people's awareness to move closer, with a change in attitude, to the things we can indeed achieve; and many things demonstrate that we, amid our limitations, can achieve better results.

[Castro] Thank you very much, Comrade Robinson. We will pay attention to results in late 1996, 1997, and 1998. You recalled that in 1998 Santiago will host the 45th anniversary of the attack on the Moncada Barracks. Santiago residents, for owning the barracks, have a right every five years to host the 26 July ceremony. What would Santiago residents and their First Secretary Robinson think if I proposed at a Politburo meeting that Santiago win the right to host the 26 July ceremony. Would Santiago residents agree to vie for this right with the other provinces under equal conditions. Santiago is a city of heroes and the owner of the Moncada Barracks. It should not automatically have this right, it should win this right. Would you agree?

[Robinson] I think that the results...

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Castro, interrupting] No, do not tell me about the results. Would you agree with this idea if there were no results?

[Robinson] I agree...

[Castro, interrupting] Santiago residents will boot you if you committed yourself without discussing this democratically with them.

[Robinson] I agree that we should permanently add to the history and the historical glories of Santiago the contributions of our province to continue strengthening not only this battle to overcome the special period, but that we sustain it with history and our results. And that is Santiago's goal.

[Castro] I agree with you. We must now wait and see what Santiago residents think. Thank you very much, Robinson. Moving along the eastern territory, and skipping Bayamo and Granma, which are the hosts of these activities, and thus, we will question them at the end, and after the Granma secretary speaks, I want Agriculture Minister Jordan to confirm or refute what you are saying here although you are serious cadres and we can believe what you are saying.

We will now interview the secretary of my province, who was a Camilito [a member of the Comandante Camilo Cienfuegos Artillery School], who is only 34 years old and wears a beard as the one Fidel Castro sported when the war ended. Comrade Sierra, what do you have to say to "Doing Radio" regarding the two questions we have posed to all your colleagues?

[Sierra] With regard to the sugar harvest, we can say that in a few hours we will reach the 400,000 metric tons of sugar, which is 30,000 metric tons more than last year's production. I must also note the fact that this was accomplished with 40 million less arrobas of sugarcane, which gives you an idea of the efficiency with which we have been working. We plan to reach 500,000 metric tons, which is our goal, by 24 May. We are sure we will reach that goal. Our [word indistinct] from this sugar harvest is that we are not yet efficient. I believe we are one of the provinces with the lowest industrial efficiency in the country. We have accumulated a rate of 10.53. Although it is .13 more than during the last harvest, we can do much better. We are working to recover our industrial efficiency, which in my opinion is more related to men than to material resources. We are now in the process of planting, which will guarantee an increase of 60,000 more metric tons for the next harvest. This could yield 560,000 metric tons of sugar next year, placing the province just below the level of production before the special period, when our province normally produced between 550,000 and 650,000 metric tons, although on one occasion we produced more than 700,000 metric tons of sugar.

Regarding food production, the first quarter was favorable in the production of grains and vegetables: 1.490 million quintals, which marked a record for the province, as during the entire year 1994 we produced 875,000 quintals. The province had never produced over 1 million quintals during the first quarter. Our production goal this year is 3 million quintals, which would break all previous records in the province. We are creating the conditions to produce 4 million quintals next year.

There are many other [word indistinct] related to agriculture. First of all, the diversification of production. We certainly must increase the production of other food products, like sweet potatoes and squash. We must guarantee a stable production every month. That is another problem. There are months when production levels are high, during the first months of the year, while in May, June, and July production drops. We must also increase the productivity of crops by hectare, as we are still far from the potential that the land offers.

We must secure a larger protein production with our own resources. There is a shortage of meat. It is one of the areas where production has dropped the most. We cannot increase production by importing [word indistinct]. For that reason, we are implementing a plan for grains to secure the production of fodder needed to increase the production of pork in all its varieties, using all the resources available in the province. The results of this plan will not be seen before two years. We would like to see the results earlier, but it is certainly a big challenge.

We will also begin producing cooking oil, obtained from grains and oleaginous plants such as sunflower, soybean, and peanut. This program has given results in some areas. I do not believe, however, that we will see specific results before two years. Those are a few things that in my opinion should be improved in agriculture.

[Castro] Thank you Sierra, and all the people of Holguin. Fidel and Raul are also from Holguin. All of the country's nickel is concentrated in our province. What about nickel production?

[Sierra] Well, nickel production began to recover in 1995. Not only did we begin to repair and give maintenance to the installations, but we began to modernize them. This year we can assure you we will break the historical nickel production record that existed before the special period, which was approximately 46,000 metric tons. We are preparing to produce over 60,000 metric tons next year. In nickel production we have seen the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

consolidation of investments made at the end of 1994 and in 1995. The process continues. As an important action, we must mention the rescue of the [words indistinct] plant, which as you know is already 52 years old. There were plans to close it due to its inefficiency, but thanks to the efforts of its workers, it is still producing nickel, with much more efficiency. We must improve efficiency in the metallurgy and reduce the consumption of [word indistinct], especially fuel, which is one of the factors that increases the cost of nickel production. Last year, nickel production totaled $90 million, although it was expected to contribute to the country's income with $54 million. This year it is expected to contribute with $126 million, and if production continues at the same pace as the first quarter, we will be able to contribute with over $126 million.

[Castro] Thank you Sierra. Those are good news. We have great hopes, as the other comrades, first secretaries of province have expressed, in the future and the days to come, and before the current millennium is over.

Continuing our work in this territory, here in this room we are going to question a young first secretary, whose last name is Enamorado, from Las Tunas Province. How old are you, Enamorado?

[Enamorado] Forty-two.

[Castro] Only 42? You are a pioneer. You come from the sugar mills in the north, which have faced great difficulties because of the heavy rains that have adversely affected you and which have been visited by the commander in chief recently. What can you tell the listeners of "Doing Radio" about the two questions we have made to your comrades?

[Enamorado] A greeting to all listeners. Let me tell you that to clearly speak about the situation of the harvest in the province, which was one of the questions you made, we must go all the way back to the beginning of this harvest. Actually, sugarcane workers in Las Tunas Province and the people set a very high goal for this harvest. Our aim is to increase our sugar production by 63 percent with regard to the previous harvest. Our goal is to increase yields by 103 [percent] with regard to the previous harvest and our goal was to practically grind 93 percent of all cane. It was really an plan that required us not only to work well, but as we discussed it with all comrades in the province, it required us to work in an excellent manner. That is how the harvest began. The harvest was begun at the best time and we tried to obtain the best sugar yields. Everyone knows about the two blows dealt by the rains in the northern part of our province, where the three giant mills are located: The [words indistinct] the Jesus Menendez, and the Argelia Mills. The first rainstorm took place in early February and the second one took place a month and a half later. The Argelia Sugar Mill practically began the harvest in April. It has undoubtedly caused greater tensions to be felt in our harvest. It will require us to make a greater effort than what we have done up until now. I can tell you that at this stage of the game, we have produced more sugar than last year. Today, we exceeded the 300,000 metric tons. We need some 170,000 metric tons to fulfill our plan. We cannot talk about finishing the harvest in May. Our commander in chief attended the conclusion of the harvest at the Peru Sugar Mill. It was a big incentive and at the same time it was a giant commitment for all workers and for all the people of Las Tunas, who now feel committed to respond to this visit and to this incentive from the commander in chief with productive results.

The Amancio Sugar Mill concluded its harvest last Monday and the Colombia Sugar Mill should complete its plan tomorrow. It will continue to work until Sunday in order to finish grinding the cane that was left over at the Peru Sugar Mill, at the Colombia Sugar Mill itself, and the Amancio Sugar Mill. Following the conclusion of the plans in these mills, we have had to move our equipment from the Peru Sugar Mill to the Argelia Sugar Mill, from the Amancio to the Argelia Sugar Mill, and we will finally move the equipment from the Colombia Sugar Mill to the northern zone. This will allow us to complete our harvest between 15 and 20 June. It has required an extraordinary effort because these rains have had an adverse effect on the cane yields, which forces us to maximize the use of the cane. That is the battle we are waging now. We do not want any cane to be left in the fields. We do not want any cane to be lost when it is transported. We want to achieve the greatest efficiency possible in the industrial process. This has helped us to obtain better results than last year; however, these results are still not enough to fulfill our needs and do not reflect what we can really produce in our territory.

Following the visit of our commander in chief to the northern part of Las Tunas Province, we made the decision to repair some roads. Practically more than 300 km of roads are being repaired. We have received cooperation from road repair contingents from the provinces of Santiago de Cuba, Granma, and Camaguey. They have joined forces from our own province and we have already been able to repair more than 100 km of roads. If it were to rain again, we would be able to bring out the sugarcane. This is just what we have been discussing with our workers. In case it were to rain again and we could not use the combines, we would cut the cane by hand and take it to the roadside. We know the commitment we have and we know how much it

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

represents for the country's sugar exports because our country needs to pay for its obligations, and to conduct its economic activities as well as a series of measures that need to be adopted in this special period.

We can tell you that we are certain about our efforts and that we are going to be working on the harvest. We are currently producing more than 3,000 metric tons of sugar per day. We will continue to be grinding with five mills. Starting on Sunday we will be working with only four mills, the three northern mills and the Majibacoa Mill, which is celebrating its 10th anniversary tomorrow. You were present for its inauguration. It should complete its initial plan before the end of this month. The plan is to produce 75,000 metric tons. That is the situation with regard to the harvest. Actually the results we have obtained this year are much better than the ones we obtained last year. We have noticed the commitment of the people to double their efforts in this harvest in response to the defense of their revolution. It is a response to the call made by our commander in chief when he said we should make the greatest effort in the harvest. We are aware of that and we will continue to work in this regard.

As for the production of food, this year we have already produced more than 500,000 metric tons of vegetables and grains.

[Castro] During the first quarter?

[Enamorado] During the first quarter. By the end of the quarter, we had produced 163,000 more quintals thar last year. It is a very high figure, but we must tell you that it is not enough. We must make greater efforts, we have to use our forces better, and we must mobilize the entire population in order to produce more food.

As for milk production, we have produced more than during the same period last year. Last year, was our province's second highest year in milk production. This year, we can break that record and that is our goal. We are waging a great battle. When you passed through that region, you pointed it out. We have been fighting the weeds with all our means.

We are working in every dairy farm to prepare the greatest attack possible against the weeds using manual labor, machetes, mobilized units, some equipment, and tractors. Our purpose, every 15 days in each of the enterprises and municipalities in our territory, is to obtain a weed-free dairy farm, using a herbicide that is produced here in the country, with the men and the milk cows they take to the dairy, because we still need 14,000 cows in the province, according to the number of dairies that have been built. That is one of our greatest challenges in the territory.

We are developing a rice production program. We are increasing the planting of rice. Currently, we have planted over 40 caballerias. We want to end this year with 141 caballerias planted and produce 134,000 quintals of rice which a development program which includes water irrigation so that we can increase our rice production area and make the province self-sufficient in rice in the next few years. That would be a great solution we could offer our country, our territory.

In addition, we are working vigorously on a program to produce vegetable oil. We plan to plant over 50 caballerias this year. This program is currently under way. Part of the program is soil preparation which will also help continue fighting the weed. It is an intense program that we are currently developing to produce vegetable oil, which is currently very expensive, which would improve and would incorporate a new value to our [word indistinct], to our tilapia because we also have a program to construct ponds in some 260 hectares to raise fish. We recently inaugurated one in Colombia. With the help of the work force that the commander in chief assigned to the province, that are concluding some drainage works in northern Las Tunas Province... [pauses] We have to say that part of this work force in the north has not acted with the speed needed to provide drainage for the residents, yesterday, they had only completed 12 miles of drainage. This work needs to be intensified [words indistinct] incorporating a number of [words indistinct] that were assigned by our commander in chief that are joining us in a few days, and we are engaged in this battle.

Another important thing we are considering in the territory, which is not directly related to the question you have asked, but is the foundation for this entire program, is the construction of the population settlements so that the people may contribute again to the agricultural plans, to the sugarcane fields, which is the basis for our growth. We have begun to build this year 25 planned population settlements in areas where we currently do not have a labor force.

[Castro] Thank you very much, Enamorado. I believe you are the person that has taken the most time here in "Doing Radio." I don't know if [word indistinct] is going to allow us more time. We still have here Camaguey Province: The people from Agramonte. I hope that they do not take up so much time since they also have a great number of problems, and large quantities of weeds. I believe they are first in the amount of weeds in Cuba, and in other areas also. In sugarcane, they will have to make a greater effort that Enamorado is making in Las Tunas Province. We call this secretary Carlitos. What is you full name?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Diaz Barranco] Carlos Diaz Barranco.

[Castro] Carlos Diaz Barranco. I ask you, but I know your first and last names. Carlos Diaz is going to have to get Camaguey out of the ravine it was falling into. [laughter] Not because of a lack of effort by the people of Camaguey, but because of the situation which you all know. It is a province that had reached a very high standard of living. One of the largest, or the largest province in territory. If I remember rightly, it has approximately 44 inhabitants per km square. Of course, more than 80 percent of its inhabitants live in the capital of the province. More than 80 percent, right?

[Unidentified speaker] [words indistinct]

[Castro] [words indistinct] in the capital of the province and the municipal capitals. Well, Carlitos, what can you tell us regarding the question we have asked all of your comrades? Please do not take as much time as Enamorado. I know that the task in Camaguey Province has to be as great as in the other provinces, including Las Tunas Province. Let us see what you can tell us about Camaguey Province.

[Diaz Barranco] First, I would like to say that when the people of Camaguey learn that [words indistinct] it is going to be a great commitment for the people of Camaguey, as it will be for me.

Regarding the sugarcane harvest, as you well know, we have a very short harvest, since we must practically stop what we did not accomplish last year and begin what we must achieve this year. We are committed to a 74 percent increase in the sugar production plan. This is really [word indistinct] nevertheless, in the next few days we are going to achieve 100,000 metric tons more than in the previous harvest. This fact continues to commit us to continue striving to reach the sugar production plan. If we do not achieve it, at least to approach the sugar production plan, which means that Camaguey Province's sugar production plan would continue to grow 53 percent each year. All this, because as we [words indistinct], the plan, which was very committed to the Esmeralda zone because of the increased capacity in the Brazil Sugar Mill, which during the first months of the harvest had a number of industrial difficulties. A problem which we have been solving, above all after the commander in chief's recent visit to the Brazil territory.

Regarding the harvest, we can say that we have won some battle and have raised some banners. In the first place, we have the honor of saying that Camaguey has the sugar mill that first completed its sugar production plan this year [word indistinct] the reverse experienced in [word indistinct] mill, which during recent year has had many difficulties. I believe it is now showing signs of completing its sugar plan and leaving behind all the [word indistinct] schemes, technological, and other problems, and to which shows a determination which seems to have come to stay. We must immediately conclude our main mission in the southern part of Camaguey Province, an area which you know can have problems if we do not finish the harvest before the rains come, because of the special characteristics of the southern part of Camaguey, and view as a final assault, the battle of the harvest in the northern Camaguey. It was planned, and this proposal was presented to the commander in chief, and approved by our people as a strategy for Camaguey Province. We are working very hard on that strategy. Critically, I must say that although we have made an industrial leap forward we have not recovered in the milling aspect, because of resources and because we have to further organize this very complex harvest activity.

I want to say that the people of Camaguey have shown great determination in their daily work, dedication, and firmness.

This was not characteristic of Camaguey during those heroic days. The industrial yields will continue until the conclusion of the harvest. For example, the Brazil Sugar Mill, along with these industrial enterprises, achieved a 10.89 yield yesterday with a tendency to grow. This was good news for the Commander, for you, and the country, to know that this mill can recover and conclude its harvest [words indistinct] and start a good harvest next year due to the sugarcane fields and climate. This mill, which grew by 40 million [no currency specified] last year, had some initial problems but has the possibility of achieving growth similar to last year's. This gives us an outlook to assure us that the Camaguey harvests are on the path to recovery. With respect to the sugarcane recovery, I think that the best news I can report is that we are now readying 2,356 caballerias for the spring planting. This will guarantee us a good spring planting. We have been given approval here to work according to our commander's proposal to have two harvests. We have divided the work in such a way that a significant number of people who were mobilized are now busy with various cultivation activities, which will guarantee the next harvest. This is what we have to report on the harvest.

Regarding food for our people's consumption, I can assure you that all expectations will be surmounted this year during the entire special period in Camaguey.

[Castro] Be careful with what you tell me, Carlitos.

[Diaz Barranco] The agriculture minister is here, who can...

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Castro, interrupting] [Words indistinct] agriculture minister. You tell me that you are all sure you will exceed all expectations. I will share a story with you, which I told during the Holguin or Villa Clara territorial meeting [words indistinct] years ago, the FAR had not yet moved to the building on the Sierra Maestra in the Plaza de la Revolucion. We were located across from the Havana Bay piers where the navy staff is located. The INRA [National Institute for Agrarian Reform], was located where the FAR Ministry is presently located. I went to visit an INRA director and, in his office, I noticed a small sack full of malanga roots. I believe they came from Gensegundito in the mountains of Pinar del Rio Province. They were beautiful malanga roots. The comrade tells me: Listen, Minister, take this sack of malanga roots home. Of course, I took the sack home. But I will never forget what he said: You wait and see that by early next year, the old ladies will be unable to carry so many sacks of malanga roots. I left confident, enthusiastic, and grateful with my small sack of malanga roots. My family and I feasted on the roots. That was 30 years ago, and I am still waiting to see the old ladies complaining about having to carry so many sacks of malanga roots. Some people, however, are now complaining about an excess of potatoes. What a good symptom, that is precisely what we want in the future for all the basic products. Naturally, there is an oversupply of potatoes and we lack the capacity to store them. That is why I understand that the commander in chief recently became interested in continuing the construction of a cold-storage warehouse near Batabano. Well, Canales [not further identified] was here changing cassettes. What did you answer when it was not recording? Tell me again. If you want, we can erase what you said before. [laughs]

[Diaz Barranco] It will be erased not because I am not sure but because I exaggerated. [laughter] I do not want to exaggerate. [laughter]

[Castro] [words indistinct] it would be strange if it happened now, right? Five years sounds like a better estimate.

[Diaz Barranco] For example, we doubled last year's planting of wheat and rice and it will happen again with the spring harvest because the land is practically ready. Only about 50 caballerias remain to be readied at this time. There are guarantees that Camaguey will have 1156 caballerias of rice. What I mean is that it would more than duplicate last year's planting. As you all know, [words indistinct] in Mexico the possibility to finance the rice crop. In the case of the planting of tubers and vegetables, we finished the wheat harvest with 114 caballerias in excess of the programmed amount. Spring planting is progressing well. Citrus activity is doing well; we surpassed our industry delivery goals. We surpassed our plan. We finished the potato harvest...

[Castro, interrupting] The Camaguey Citrus Company [words indistinct] is not affected as the Ilepino Company where the cows eat the grapefruit, other fruits, and the trees. No cows roam free there. Sanabria, Radio Rebelde is heard on Isla de la Juventud, right?

[Sanabria] All over the country, in Central America and the Caribbean also, Mr. Minister.

[Castro] Well, all the Pinar del Rio friends should hear that the Army is doing the work, completely administering the citrus programs in Jaguey, Matanzas Provinces, and the one in the Isla de la Juventud. We must say citrus plants are being destroyed. Either there are too many cows, or there are not enough fences, or there are too many citrus plants. While Jaguey is moving forward, we are not satisfied with Isla de la Juventud. When we were walking in the Isla de la Juventud's plantations, I first noticed that the trees had two shades. Up to the level where the cows' head could reach, the trees had bright green shoots, whereas the rest of it was green. In short a time they kill the tree. Cows look like children fighting each other with their feet and pushing each other with their heads, vying for the grapefruits that fall on the country. This situation has to be resolved. Either you assign people to tend the cows or fence in the cows.

[First unidentified speaker] Or we eat the cows.

[Castro] That cannot be because the Pinar del Rio children would be left without milk. Las Tunas has no cattle on the loose. There are cattle on the lose in other parts.

[Second unidentified speaker] We have that problem with sugar fields in [words indistinct] Santa Cruz.

[Castro] One day I learned that Sugar Industry Minister Nelson Torres was complaining to someone at the Agriculture Ministry that the cows had to be fenced, and the other comrade replied: No, no, you have to fence the sugarcane. [laughter] That is the problem with cows. Keep telling me about the food.

[Diaz Barranco] I am going to go on to cattle activity.

[Castro] What is going on? You have all that land with lots of weed, a lot of land, and despite the cows that are stolen a lot of cows remain.

[Diaz Barranco] We have a little over 80,000 heads of cattle in the province. I was going to tell you... [pauses] excuse me, 800,000.

[Castro] You scared me.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Diaz Barranco] We have 800,000 heads of cattle, and I wanted to refer this, because we were authorized a few months ago through the National Civilian Defense to enforce a cattle emergency program in the province on account of the strong drought cattle-raising activities are facing in our province. For several months now, we have been bringing water in tanks to thousands of thousands of animals. We have transferred thousands of them. We have activated all the local animal feed factories, six factories [words indistinct]. We are working on this in earnest. We have practically created intensive therapy hospitals, as we have called them, in the areas of concentration to care for animals who are facing a delicate situation with regard to feeding, and Camaguey cattlemen are giving a tremendous sign of how they handle their cattle farms and the responsibility they have before them. Despite the strong drought that is devastating Camaguey's cattle region, we have prevented the deaths of 6,000 fewer animals than last year. So far, the country has not had to spend a single cent in foreign exchanges to purchase powder milk to guarantee the milk supply of Camaguey's children, even though Camaguey sends milk to other areas.

As you have rightly noted we are also implementing a program to kill the weeds, because weeds in our province's caballerias are a serious thing. We want to kill the one we can cut with machetes. We cannot wait for the country to have the possibilities of acquiring [words indistinct]. In addition, we are working to create a fodder structure for planting sugarcane and [word indistinct] that can help us in situations such as this one.

[Castro] Would you like to say something about food production? When can the Politburo members go to the province on a control visit to see how all these plans you have just announced are coming along?

[Diaz Barranco] Tomorrow, every day.

[Castro] No. I think we are going to give you a few more months. Friends of "Doing Radio," Comrade Garrido, you have been listening to brief reports by the PCC first secretaries, from Guantanamo to Granma, going by Santiago [words indistinct], Holguin, Las Tunas, and most recently, Camaguey. We still one more province left, the host province, where we are now, historic Bayamo, Granma, the host of the central ceremony to commemorate the 35th anniversary of the creation of the Eastern Army. We have left comrade Alfredo Enriquez, first secretary of Granma, for last. This information they are providing here is useful for me. Anyhow, I hope that after the celebration, we will be able to exchange some ideas about such fundamental issues as the harvest and the production of food.

I want to add something, just in case Sanabria does not have time to announce this: I am here accompanied by Juan Almeida Bosque, commander of the revolution; Interior Minister General Abelardo Colome; Chief of Staff Division General Ulises Rosales; Div. Gen. Ramon Espinosa, chief of the Eastern Army; Div. Gen. Joaquin Quintas Sola, chief of the Central Army; and Div. Gen. Leopoldo Cintra Frias, chief of the great army, as I like to call the Western Army. The great army like that of Napoleon, but in the case of the Western Army, without Waterloo. Brigadier Gen. Baranda is also here, as well as another comrade. Also here is Commander of the revolution Guillermo Garcia Frias, whom, as you all know, was born in Granma Province. After the first secretary answers the two questions, we will listen to Agriculture Minister Comrade Jordan, who will answer one question. He is also here with us. Thus, let's listen to the secretary of the host province. Alfredo Enriquez, what can you tell us about the harvest and the production of food?

[Enriquez] Concerning the sugar harvest, we can tell you that the province is about to fulfill its sugar production plan. We believe this can happen any time in the afternoon of 27 April or early on 28 April, and two mills might continue their grinding operations. At this time, four mills of the 11 in this province have already met their sugar production plan. We must stress the fact that this harvest, as indicated before, has been quite superior regarding industrial efficiency compared to the previous one. Only because of this industrial efficiency, the province has already produced more than 21,000 metric tons of sugar. We must say that we are not entirely pleased yet, because although the province will meet its sugar production goal, we are still quite far from the potential we can achieve, that is, slightly over 500,000 metric tons. Considering that for this harvest, we will produce slightly more than 300,000 metric tons of sugar. Similarly to the rest of the territories, we will devote the month of May to the recovery of sugarcane. We must do this to continue ensuring agricultural growth to enable the province to achieve the top records registered in previous years, including 1989, when we produced more than 550,000 metric tons. The sugar harvest is not facing major problems.

The fact we are going to meet our sugar production goal notwithstanding, these past days we have been discussing in almost all the sugar mills the excessive amount of burnt sugarcane or delays in arriving at the mills. This is lowering our industrial yield, and is the main struggle we are waging to be able to finish the harvest with the efficiency that has been asked of us. For that reason, I feel that in general terms the province's

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

sugar workers have made a tremendous effort to ensure compliance with the sugar production plan.

With regard to food production for the people, as was reported during the ceremony, I can tell you that in the first three months of this year, the province produced over 800,000 quintals of tubers, vegetable, and cereal, a record figure for these years. With regard to tubers, we had broken the 1984 record by producing over 450,000 quintals.

[Castro] The 1984 record.

[Enriquez] The 1984 record. We must add that this is not enough and we are still far from the province's potential because Granma, as you know, can produce more than 3 million quintals of tubers. This year we are planning to produce more than 2 million quintals. The effort we must still make in this regard is big. Another important activity in the province as far as the production of food is concerned is the production of rice. The province also exceeded itself in the planting of winter crops. We are currently preparing the land to comply with the spring planting season. We plan to finish on 30 June with the planting of 2,200 caballerias of rice of the 2,347 caballerias the province has set as a goal for the entire campaign. We hope to finish planting these crops by 26 July. If we achieve this, it would be a great success for the province's rice workers because never in history, since rice is planted in the province, the planting season has ended in July. It has always ended in early September and we plan to finish it in July because we are really going to be able to increase yields, which is what we need at this time to complete the 53,000 metric tons which the country has asked us to produce. Internally, we plan to produce 60,000 metric tons and step up the production of rice. The rice harvest has already begun. We have more than 30,000 quintals of rice harvested at this time. We must say that the repair of rice combines has been completed.

[Castro] I was going to ask about that and about other farming equipment. During the weapons exhibition held by the Army, we saw a great deal of machinery. Tell us something about that.

[Enriquez] For more than three months now we have been working hard with all agriculture workers in the province to repair our machinery, such as tractors, bulldozers, and combines. We have conducted intensive work in all agriculture enterprises, which has allowed us in the last three months to hold big exhibitions of repaired equipment. We can tell you that more than 600 pieces of machinery from the entire province have been placed on exhibition after we repaired them.

We are also planning to involve man, the equipment operator, in this duty. This will be maintained as long as necessary so that all operators can continue to work with their machinery.

Going back to the previous question on the rice combines, we currently have 50 repaired combines in the province of the 99 that must be repaired to guarantee the rice harvest. If we include the ones that will be brought to the province, the ones the country was able to purchase abroad, we can say that the rice harvest in Granma is guaranteed with the combines we have. In Holguin, as comrade Sierra said, new rice combines are being produced and they should be delivered this month. We must say that we had never before been able to do this. We must say that for the first time since Granma is producing rice we have come up with a better organization of all the forces that are participating in the rice harvest. This assures us that this work will be done without difficulties and the country will really be able to count on the province's production for the consumption of the population.

[Castro] The prices of rice, powdered milk, and other foodstuffs continue to increase in the world market.

[Enriquez] You are right, Minister. As you well know, as far as coffee is concerned, the province was able to meet its goal. We produced 65,000 more cans of coffee than what we had estimated. We produced 75,000 more cans of coffee than the previous harvest. We also exported more than we had planned, but we are not pleased with these results either. In 1968, Granma was able to produce nearly 4 million cans of coffee. This year we were only able to produce, even though we met our production goals, 1.175 million cans of coffee, which means we are still far from the province's potentials. That is why we have tried to strongly promote coffee production in our mountains. As you have indicated on various occasions, the success of our plans to ensure better development conditions for our Turquino Plan depends on this. It will also help us plant tubers, vegetables, and grains in our mountains. It is also part of our country's defense.

As for tobacco, we must say that the province also shows favorable results. In this harvest we will have better results compared to the previous harvest. We plan to harvest more than 7,000 or 8,000 quintals of tobacco.

We also plan to double the number of caballerias of land set aside for tobacco production. Following discussions with Comrades Carlos Lage and Alfredo Jordan, who talked about the creation of more jobs in the province, we hope to increase the production of tobacco for the years 1998 and 1999.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

We cannot say, however, that all agriculture sectors have shown progress. The livestock sector continues to be the sector with the greatest difficulties for us. Milk production is also far from the province's potentials. The milk production plan was not met for the first quarter of the year. We have been facing many specific difficulties with the production of food, but we also have many problems to resolve in the livestock sector. For some time now in the province, we have been building a system of canals and lagoons that will allow us to bring water to more than 50 percent of our cattle. It should help us recover this important sector.

This is the general situation regarding key productions. We wanted to take advantage of this opportunity to tell you that, for the Granma people, the instructions you gave us on 18 August 1994 are still valid and that we are working to execute each and everyone of the instructions you gave us, Comrade Minister. The Granma people continue to struggle, as you urged us that day.

[Castro] Thank you very much. As you can see, Garrido, not all the news are bad news. People from eastern Cuba and Camaguey residents, some of which have more problems than others, are showing that it is possible. I, who was born with this revolution and my party, can say that on very few occasions — I can never remember — when we are facing the party, the new provinces, Almeida, Guillermo, and I came here... [pauses] the new provinces we have... [pauses] all the political and administrative divisions that were implemented in 1976, following our party's first congress. I do not know what is the opinion of the comrades that are participating in this meeting. However, we had never had political cadres, especially first secretaries, of the caliber we have now. What do you think, Jordan? You were once a province secretary, in Las Tunas, and it seems like you did not do a bad job. However, it seems that you did not do too much... [pauses] it seems that you did not fix the roads leading to the northern mills or built the drains. Huh?

[Jordan] [Words indistinct]

[Castro] [Words indistinct] There are not enough cows now. Well, what is your opinion? Is this the case?

[Jordan] I concur with you; I fully agree with your assessment.

[Castro] I believe that we can move forward with what not only I, but also what others see: The Politburo controls and the controls of the government and various bodies of the state's central administration. From the airplane itself, if it is not flying high, we can see the recently cut sugarcane and its corresponding crop, land being tilled, and people working on the two harvests and cutting and preparing for the future. As someone said, one of those who were present — I do not know if Carlitos was the one who talked about the stumps. What? Was it you? Honoring future commitments can never be compromised. We must consolidate the present and continue to move forward; we must consolidate every millimeter we move forward and not take a step back. Recall what Maximo Gomez used to say about Cubans: We sometimes do too much or do not do enough. We use the word system a great deal, precisely because of what we have seen: All the works the revolution has done in these approximately 40 years. How many things started correctly and died in the process? When we were assigned a task, we neglected the others. You are currently seeing all the agricultural issues that guided our commander in chief more than three decades ago.

Some of us have already said it: Let us recover and consolidate. Then, we have a last question; I do not know how long we have been using Radio Rebelde's time. I hope we will not be interrupted, will we? I hope they will broadcast this in its entirety. Tomorrow I am going to listen to it; Sanabria, keep me informed of the time Garrido is going to broadcast it.

[Garrido] Starting at 0630 hours.

[Castro] Starting at 0630 hours. We are going to try to listen to it while drinking coffee from eastern Cuba. Then, Jordan, a last question for you. If you want, talk about the entire Republic, but you are not going to take too long, because they are going to interrupt us. You can talk about the country's six easternmost provinces. Be brief, and do not repeat what they already said. I am handing the recorder to you, and you will be in charge of bidding farewell to Garrido, the listeners, which, according to Sanabria, are even in the Caribbean. Do you think Pinar del Rio residents listen to us? Pinar del Rio residents listen to us, too. Well, Jordan, we ask you to draw conclusions and answer the last question.

[Jordan] I believe that you have been drawing conclusions throughout this interview; you are asking the questions and making the assessments. We can undoubtedly see in the eastern provinces...

[Castro, interrupting] And Camaguey.

[Jordan] And Camaguey. In this quarter, we see a recovery, particularly in the production of tubers and vegetables. However, when we note this recovery, we have to be careful with the figures, because when you analyze the tubers that are being produced, we have to say that they are essentially linked to plantains, the production of which we have undoubtedly increased. In many

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

places, in many provinces, they are breaking all-time records. Breaking down the production of plantains, we have to say that the square-shaped [burrofenza] plantain is yielding more. We have decreased, for instance, the production of another type of plantain, which although it is a crop that diseases have adversely affected lately, we believe that...

[Castro, interrupting] The other type of plantain you mentioned is called here a [words indistinct].

[Jordan] It is called [words indistinct] because it disappears and reappears at the right time. [sentence as heard] It is delicious.

[Castro] I see.

[Jordan] It is delicious; it is very good. I believe that we at the eastern region must make a big effort, especially in the production of malanga root, which is very deficient, and in the production of yam, which is also very deficient. In many places that traditionally grow this crop, we faced a phase in which we even lost the seeds.

[Castro] People ate these sprouts. You did not lose them. People ate them, did they not?

[Jordan] Exactly. People ate these sprouts out of necessity itself and because of our difficulties. I believe that yucca production should be increased to help solve this problem. Today we have clones available that have been adapted to our climate and are resistant to disease. These would permit a gradual increase in the production of this crop on a permanent basis. As we know, this crop is a permanent resource because it can be dug out when needed. That is to say that we believe that sweet potato production will be greatly improved in the eastern provinces. We must admit that our yields are not good at all. These yields are very much below...

[Unidentified speaker, interrupting] [Words indistinct]

[Jordan] These yields are very much below the potential of the varieties we have. The secretaries have already referred to the well-known additional difficulties that are faced in agriculture. We know how eagerly these matters are constantly discussed in every province. We refer to our low yields. We have problems with low yields because of sparsely-sowed fields. We are not planting the adequate number of plants required by each caballeria. We have basically lost the habit of measuring the area and of counting the number of plants when planting. Sometimes we speak of a number of caballerias that have been planted, but when yields are examined, they do not actually match our investment of resources in terms of productivity... [pauses] The truth with regard to the yield is that the number of caballerias reportedly fully-planted are, in fact, not fully planted. These caballerias are only sparsely-sowed fields; there are not enough plants in them.

I believe that we should work very hard in this direction throughout the country and, well, particularly in the eastern provinces. Based on our knowledge of this territory, we have always believed that there is enough land, water, and manpower to produce the supply of tubers needed in this territory to meet permanent needs, and even to help the rest of this country, if necessary, at any given moment. In addition, I believe that in the eastern provinces, we can strive to achieve the required production level for exporting once the appropriate conditions are created. This country has many problems with exports, mainly in agriculture. I believe that under the current circumstances and in order to continue increasing agricultural possibilities and to use the required fertilizers, chemicals and fuels... [pauses] although we sometimes complain that we have very few resources, our ministry is among the highest consumers of fuel and energy. For instance, our coffee production was poor this year. This was our lowest coffee harvest in Cuban history. This was essentially true in the eastern provinces. This country once produced 1 million quintals of coffee.

[Unidentified speaker] [Word indistinct]

[Jordan] Today we are producing between 340,000 and 350,000 quintals of coffee. Regarding honey production in apiculture...

[Castro, interrupting] Companero Jordan, in this case, I believe that it is fair to point out that this low coffee production is a consequence of the special period when fertilizers were not used, is it not? Therefore, this was true apart from other reasons, difficulties, and problems that, as we know, have prevented us from reaching our goal. But the truth is that all these years went by without using fertilizers. Go ahead.

[Jordan] This is correct, Mr. Minister, we had not fertilized coffee crops for five years. However, we had also lost manpower in the mountain region. Many coffee fields had been abandoned. Due to the measures taken, we have seen how certain coffee-producing areas given to families, after making the corresponding studies... [pauses] we must keep in mind the quality and strength of the people sent to the mountains. The mountains are very valuable for our country's defense. Some of these areas had been left completely unattended for 20 years because we lacked a labor force. I believe that there is a noticeable recovery for the upcoming harvest. In their evaluations, our comrades have stated [words indistinct] an increase might be expected during the upcoming coffee harvest. But we need to wait to have

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the coffee in our hands before speaking of growth and results. Regarding apiculture, if there is a behavior...

[Castro, interrupting] [Words idistinct] I do not want to forget the important matter that you pointed out regarding yields and comparisons. It seems that we are finally seeing the light at the end of the tunnel. I do not know how bright this light will be, but it can already be seen during this special period despite additional complications caused by the Helms-Burton law recently approved by the U.S. Congress, which we described as a slavery law at the fifth plenum of the Central Committee of the Communist Party of Cuba. Along with some of the others who are present here, you participated in the discussion of this matter at the Minfar's [Ministry of the Revolutionary Armed Forces] most recent military council during the examination of [words indistinct] of the FAR's agricultural production. We may no longer make comparisons with previous years. However, since this new task was undertaken during the special period, we had a growth of approximately 30 percent in some 28 selected products. Our growth was 28 percent last year, but the growth was more than 30 percent in 1993 and 1994, and it was a 28-percent growth in 1995.

I said that we should use our potential and economic efficiency as the yardstick. Potential includes resources, machinery, and so on. We must measure in this manner because sometimes [words indistinct] because do not [word indistinct] quintal as a measure. The vegetables the Armed Forces produce here are measured in tons or kilograms. A military school director whom I visited told me: Here we have produced — I do not recall how many hundreds of thousands — of portions. I replied: Next time report to me in ounces.

We measure in metric tons, which is part of the metric system approved after the victory of the Revolution. Why does agriculture give figures in quintals? To make figures look better? Sugarcane is all right because it is measured in arrobas, but sugar, which is the final product, should be measured in metric tons. That is not what I wanted to ask you, anyway. I wanted to say that we should focus not on what we produced last year but on our potential. You told me you are studying this. Is this the ministry's line?

[Jordan] I think that an example in line with what you stated is the yield of the potato season, which is about to end. There is no doubt that it is an example of our agriculture's potential, because although we reached 7 million quintals of potatoes, which was the highest production record in terms of volume with 29 fewer caballerias than in 1985, when we produced 6.742 million quintals, and although we achieved the highest yield this year, there is still potential for improvement. Minister, there are factors considerably affecting our production. An important part of the resources the state assigns to agriculture do not reach us. We have carried out tests...

[Castro, interrupting] Why?

[Jordan] Those resources do not reach us, Mr. Minister, because so many factors and elements interfere with the distribution, with the distribution network, that some of those resources are used elsewhere. And I have two specific examples. The fuel we give to the the EJT [Youth Labor Army]...

[Castro, interrupting] You know that [words indistinct]. Do you have the facts? If you do not, I will try to give them to you, and you will certainly not take that away from the EJT. Allow us to store the fuel; I will guarantee it to you in our warehouses so that you will follow this example. In other words, what the EJT saved in four months [words indistinct].

[Unidentified speaker] [Words indistinct]

[Castro] Farms that have various crops. The Hawaii Citrus Company, the Isle of Youth Citrus Company, the ones in Juragua and Cienfuegos, and Mocambo, which is the largest fruit farm in Cuba and which had been abandoned but is now being saved [word indistinct] that agriculture created and the EJT administration in the rest of this gigantic enterprise that has an underground irrigation system. In four months, how many metric tons of fuel did the EJT leave in the places mentioned?

[Jordan] According to the report we handed you 2,700 metric tons.

[Castro] And they are in storage; 2,700 metric tons [words indistinct] allow them to keep it. We will store it for them. And perhaps in a year you will not have to give them fuel for so many months. How much did it save? I think the economy is indeed experiencing a recovery. I see many cars moving about; private cars, trucks, and so on. When [words indistinct] manage a place, the first thing General Rigoberto Garcia does is to post guards in warehouses and near the fuel. And we will say this although it is humilliating and painful: The internal dollar that circulates here is called fuel, and a large part of it gets stolen. Perhaps it is incorrect to say a large part; a part gets stolen, and the rest is squandered. The [word indistinct] has 119 farms, including those dedicated to sugar. There are 15... [pauses] you told me 15 farms in Havana, right?

[Unidentified speaker] Yes, including the Havana, Hawaii companies.

[Castro] The citrus companies of Havana, Laila, Hawaii, Juragua in Cienfuegos, and Motembo in northwest

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[word indistinct]. That is 2,600 metric tons in four months. If this pace is maintained, we t will reach 7,500 to 8,000 metric tons. This is something [words indistinct] wanted to tell Jordan because the Agriculture Ministry owns the fuel. You must intelligently decide what to do with this.

For example, the armies could be given fuel, and those that conserve fuel will not lose their supply. Allright? We would not take it away from them; they could use it for other purposes. We will advise them and give them authorization to encourage them to conserve. This must be viewed from the standpoint of the characteristics of the organizations you lead and their problems.

As for the [words indistinct] of the EJT, it is still the Agriculture Ministry. Let us wait a full year. We will keep the fuel in our warehouses and [words indistinct] assigning the same, because allotments are proportionally assigned and [words indistinct] saved not only with less fuel, equipment, and [words indistinct] monitor this closely.

[Unidentified speaker] Hey, Jordan, you hold the recorder, because my hand is hurting.

[Jordan] I told you that we had a good example. I believe that it is important for you and for our people to know this, because we have to work...

[Unidentified speaker, interrupting] Because it is [words indistinct]

[Jordan] It is important for all workers and all people to monitor the problem of controlling fuel and resources. We also conducted a test in Matanzas. In Matanzas, we changed the fuel distribution system. The province received it and sought mechanisms to distribute it directly to producers. We have saved 3,000 metric tons in three months.

[Castro] By distributing it directly?

[Jordan] By distributing it directly.

[Castro] [Words indistinct]

[Jordan] Yes.

[Castro] Did it evaporate? This is how it is; this is how it is.

[Jordan] We are working in this direction, and we are changing all fuel distribution systems, because now, Mr. Minister, many things that are resolved in the territories are based on agricultural resources. This is a reality.

[Castro] Many people were sucking from that udder, from that teat. Not all [words indistinct] to solve another problem. Then...

[Jordan, interrupting] Many...

[Castro, interrupting] We will not be able to keep good accounting records.

[Jordan] It concerns not only fuel. I believe that this is happening with other resources: Fertilizer and the control of chemical products, which are so expensive and which in the international market are...

[Castro, interrupting] Very expensive.

[Jordan] I believe that an example of this is the idea we are developing to place the resources in packages based on...

[Unidentified speaker, interrupting] What does that mean?

[Jordan] Based on technology on, for instance, potatoes. Resources are sent to the place they are needed based on everything that is needed: Fuel, chemical products, fertilizer. This also allows us to be able to organize, because sometimes many of these results are incompatible. The resources they need are not distributed, because we have to see agriculture as a complex technological process that demands certain raw materials. It is better to [words indistinct] and place the package of resources in a place where all conditions are given, where there is a skilled and trained labor force. You can see the results. I believe this was the case with potatoes and carrots this year.

[Castro] It is my opinion that we can produce a great deal more by implementing these policies you mentioned.

[Jordan] In short, these are the basic issues. We are working on agriculture, because we believe we have a great potential. We see the results we have obtained as a starting point to continue to increase production, of which we need a great deal. There are certain matters in our agriculture that are still in bad shape. For instance, the production of grain. We still have to finish deregulating and developing it. In practice, we have never distributed the grains our agricultural system produces through the ration card system.

We believe that we are working hard on machinery, transportation, irrigation, and communications. These are elements that are directly related to the guarantee needed by such a complex production system as that of the Agriculture Ministry.

As for other matters, we believe that we are pleased with the things that have been proposed here, and we congratulate the Eastern Army and the rest of the Army for the job they have done.

[Castro] Do you realize, Gen. Polo, that Jordan is from eastern Cuba? Huh? You are also from eastern Cuba,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

from Yara. Then, the two chiefs of the armies — the central and eastern armies — were asked to come here to share the celebrations of the 35th anniversary of the FAR victory, as I previously said at a meeting I held with the main chiefs. Jordan, I believe — it is my opinion and I am telling you now in front of the participants of this meeting in Bayamo... [pauses] I am saying this through "Doing Radio," which is a serious radio station [as heard]. I believe that Agriculture Minister Jordan, who started a little bit in a hurry... [pauses] I explained this at the plenum of the Central Committee in December 1993. Do you remember? The rush to create the UBPC's [Basic Cooperatives Production Units], especially at the huge enterprise handling various crops in Havana Province. [sentence as heard] The EJT manages half of it, which continues to be a state, socialist, entity. Such is the case with the UBPC's. There undoubtedly was an initial rush.

Well, it is the only criticism I have of him. There are many bureaucrats. I advised him not to sit in the seats others left so that bureaucracy will not contaminate him. It is a reality we have had to face, because many agricultural problems we have had — I would say this even at the Revolution Square — are the result of bureaucratic methods, which destroyed state agriculture. The state agriculture the EJT manages in order to produce food for our people, for our economy [words indistinct]. It holds true for certain CPA's [Agricultural-Livestock Cooperatives], especially one that I visit a great deal, San Antonio. It is very difficult to emulate this cooperative, which is made up by peasants who really work. They even have their own laboratory and produce their own biological methods to combat plagues and others [words indistinct].

The peasants, the Gomez brothers, whom we visited after meeting with the heads of the Western Army, political unit leaders, flight personnel, and pilots in the battle of [word indistinct] in San Antonio.

I believe that the cadets and navy personnel collected a total of 11,600 quintals of potatoes. The Western Army and central subordination brigades [bridagas de subordinacion central] in Havana Province helped with the harvest. The potatoes were collected, and immediately after that, the sweet potatoes were planted. They have such sweet potates there, I do not know how much they weigh. The Gomez brothers gave me some potatoes. Luis and I had one of those potatoes for lunch. It was one broiled potato. We prepared two potatoes, but one was enough for both of us.

Cabbage and sweet potatoes are produced in the only caballeria that they have. I can see prospects, but discipline must prevail.

Even sweet potatoes are risky. If you do not plant the sweet potato properly, it will not yield a good harvest. You have to do things at the right moment.

This is what I believe. I wanted to give some time to Sanabria to give his conclusions. Then, we will have the farewell with Danilo and the colleagues. I am a journalist without a degree. I am a self-taught person. This is called professional self-teaching, I hope nobody holds that against me, as Almeida says.

I believe we have a very good agriculture minister. Furthermore, he is courageously facing collection and storage problems with creativity and resourcefullness. He is not one who sits down at his office in Havana to issue directives and resolutions for the entire country. The country is diverse.

He spoke about temperature. If we listen every day to the weather forecasts on "Doing Radio," or on other radio stations, during the morning or evening newscasts, we can always notice that there is a four-degree difference in temperature between the eastern and western provinces. The same goes for humidity, the western provinces are more humid.

The country is diverse and needs diverse solutions. Excellent young cadres with an agricultural background have led the ministry forward in a very creative way. In this as in all the other aspects — the country's productive sectors and in all activities — they are demonstrating that it is possible to solve all the present problems in society.

Sanabria, dear comrades and listeners of "Doing Radio," this has been a report by correspondents Raul Castro and a so-called Sanabria from Santiago. Give him a recorder that is in better shape than this one. [laughter]

Cuba: R. Castro Congratulates Antonio Maceo CAI Workers

PA2504232596 Havana Radio Rebelde Network in Spanish 1700 GMT 24 Apr 96

[From the "National Radio News" newscast]

[FBIS Translated Text] Army General Raul Castro delivered the commander in chief's message of salute to Antonio Maceo Agro-industrial Complex [CAI] workers, which was the first to reach the current harvest's goal in Holguin province.

Raul Castro toured the CAI's facilities, accompanied by Juan Almeida Bosque, vice president of the Council of State; Division General Ulises Rosales del Toro, the Communist Party of Cuba first provincial secretaries under the command of the Eastern Army, the Eastern Army chief, and other comrades.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Castro learned about the factory's operation from CAI director Cesar Hernandez, and spoke with several workers. Later on, he participated in a massive event to reassert the revolutionary goals, at which he delivered the commander in chief's special salute to the Antonio Maceo's workers, and all the workers who met the goals in Santiago de Cuba, the eastern provinces, and the whole country.

At the end of the ceremony, Castro commented on his visit to several eastern provinces:

[Begin Castro recording] We congratulated workers here and there. We are happy that despite the many difficulties, we have made progress, we have worked, and gained more confidence. We can see the light at the end of the tunnel, but we have to work with efficiency to end the special period.

I was able to salute my fellow Holguin comrades once more, and, in addition, I personally greeted the parents, little siblings, as well as the number 1 million citizen of Holguin himself. He is already five years old and very charming. [end recording]

Cuba: R. Castro Speaks at Playa Giron Ceremony

PA2504213996 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 21 Apr 96

[Report by Marta Moreno; from the "NTV" newscast]

[FBIS Translated Text] Army General Raul Castro, minister of the Revolutionary Armed Forces [FAR], presided over the ceremony marking the 20th anniversary of the presentation of the combative flag to the Casas de la Guardia Playa Giron air brigade. Conrado Martinez, president of Havana City People's Council, delivered the final address.

In 1971, this air brigade received the Playa Giron combative glory flag from the commander in chief, not only for their bravery during the battle, but also for flying other missions and attaining additional glory.

The simple ceremony was full of patriotism, and Raul Castro's words were an inspiration to pilots and officers.

[Begin Castro recording] FAR history is closely connected to the Playa Giron victory, where our then small and battered air force and new antiaircraft artillery wrote pages worth of courage and combative efficiency. The revolutionary Air Force paid homage to its fighting roots when it achieved an impressive victory in Giron, despite the difference in the number of troops.

The final tally sheet of the Giron battle for our Air Force was outstanding. In just 72 hours, 10 pilots in eight shabby planes flew 70 combative missions with excellent results. [end recording]

During his final address, Conrado Martinez commended the exceptional merits of this brigade, starting from its beginning when Commander Enrique Carrera created it with just a few men, up to later times, when he considerably increased its combative power. Martinez stated that the country is already showing signs of recovery while still fighting to end the economic crisis.

[Begin Martinez recording, in progress]...to produce more than 1.5 million quintales of tubers, vegetables, grains, and fruits, which represents a 27-percent growth. To take better advantage of our lands. To improve 818 businesses in the restaurant sector and repair 25 during the year. To look for alternative solutions to increase supplies. To reduce the number of electricity outages and continue to improve public lighting. To repair 243 schools and build 70 new schools. To produce 240,000 metric tons of roadgrade concrete and [word indistinct] cubic meters of watertight concrete to repair the main roads in our city. To improve through many actions — including those of our glorious military — the supply of water to the city. To reach a daily average of 8,148 bus routes in havana — an increase of over 600 bus routes when compared to the previous year. To fight to improve the city's sanitation and achieve more stability from the second half of this year, with better organization and the addition of new equipment. To build 10,000 houses with government resources and complete construction of 500 new ones for the people, in addition to several construction projects which are part of a program to benefit almost 130,000 families. But without neglecting the defense. Comrades, all these actions support the words of our commander in chief: We have not only stopped the decline, but we have began to make progress. [end recording]

Cuba: Construction Ministry Ends Cayo Hueso House Repairs

PA2504224396 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 24 Apr 96

[From the "NTV" newscast]

[FBIS Translated Text] The Construction Ministry in Havana ended repairs in over 300 houses, as part of Havana's Cayo Hueso neighborhood recovery plan.

Construction Ministry's workers are busy in 34 streets of the neighborhood. Cayo Hueso is one of the most densely populated neighborhoods in Centro Havana municipality. It has over 9,500 houses, 70 percent of which are in mediocre or poor condition.

[Begin unidentified architect recording] Roofs are being made leakproof, facades and walls are being repaired. All this is part of the buildings' maintenance project.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

We have worked in some buildings that years ago did not have any plumbing. This has given city workers the chance to supply water to neighbors who have been without it for years. [end recording]

The 18 government organizations participating in the Cayo Hueso recovery plan have sold over 50 percent of the materials that the people needed to repair their houses.

[Begin unidentified neighbor recording] Workers are showing dedication. We are happy, the buildings are looking very nice. [end recording]

In addition, the repair of streets and houses was begun in Cerro municipality, will be strengthened in Havana Vieja, and will completely take care of Centro Havana. These repairs will put a stop to the city's deterioration.

Cuba: Russia's Aeroflot Resumes Flights to Havana

PA2604001396 Havana PRENSA LATINA in Spanish 1550 GMT 25 Apr 96

[FBIS Translated Text] Moscow, 25 Apr (PL) — Aeroflot, Russia's state-owned aviation company, announced today the resumption of flights with Havana as final destination starting in July to meet increasing demand for trips to the Caribbean island.

At a news conference in this capital, Nikolai Lebedev, vice chief of Aeroflot's Commercial Department, revealed there will be two departures to Havana each week in addition to current stopovers with Central and South America as final destinations.

Lebedev said the decision is based on increased interest to visit the Caribbean island for tourist purposes especially in past months.

The airline official noted start of the new tourist season prompted the company to establish flights to Buenos Aires and Sao Paulo-Rio de Janeiro (Brazil) with a single stop at the Sal Islands.

He also voiced interest in increasing charter flights to Peru, Chile, and Argentina, which has become a sort of tourist shopping mecca for Russians.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mexico: Labor Unions, Small Business Sector To Protest

PA2604024996 Mexico City Radio Red Network in Spanish 0000 GMT 26 Apr 96

[Report by Antonio Guzman and Rafael Aceves; from "The Night Monitor" newscast]

[FBIS Translated Text] [Guzman] Not only workers are planning to march on 1 May. The small business sector, those who claim they are severely hurt by the economic crisis, also plan to join the march.

Claiming that the benefits of the economic reactivation is not reaching them and that it only exist in the minds of big businessmen and government officials, small and even medium-sized businessmen will take to the streets on 1 May to show their support for workers and to celebrate labor day.

Pedro Salcedo, president of the National Processing Industrialists Association, said the current economic model defended by Finance and Public Credit Secretary Guillermo Ortiz Martinez is hurting workers and businessmen alike because they remain submerged in debts, without a market, and especially incapable of producing.

Let us listen to him:

[Begin Salcedo recording] People regret this but they do not complain to him out of fear but we know all the promises he made are false. We are not seeing the end of the tunnel. It seems like a train is headed the opposite direction. [end recording]

Pedro Salcedo said businessmen from Guadalajara, Puebla, and perhaps from other parts of the country will come here. In this regard he also said the following:

[Begin Salcedo recording] Our workers will march with their labor union and we will march in a very small group, in which we will show our solidarity. In this case workers and capital will march hand in hand because we are being hurt by the same circumstances. [end recording]

Pedro Salcedo also criticized the richest men of the country and the government itself because they did not fulfill their promises to make investments of millions of dollars to reactivate the economy. He said these millions of dollars in investments are absent to this date. He said with irony that many claim they see a light at the end of the crisis tunnel, but he said the light could be that of a speeding train coming in the opposite direction to give a coup de grace to the country's productive sectors.

[Aceves] Some of the protest groups that will participate in the 1 May marches will demand the nonpayment of the foreign debt, solution for all labor conflicts, and respect for all group contracts.

We should also mention that there may be a special demonstration held, perhaps in front of the U.S. Embassy, to protest the repression of immigrant workers.

Marchers will also ask for the release of political prisoners and will demand an end to the privatization of companies and utility services.

Finally, it was also reported that on 1 May, there will be marches of this kind in 16 states of the country. Labor unions will also participate not only with workers, but with peasant, student, and other organizations.

Mexico: U.S. Loans Said 'No Reason To Stop Helping Cuba'

PA2504203196 Mexico City XEW Television Network in Spanish 0400 GMT 24 Apr 96

[From the "24 Hours" newscast]

[FBIS Translated Text] Foreign Relations Minister Jose Angel Gurria confirmed that the loans made to Mexico by the United States are no reason to stop helping Cuba.

[Begin Gurria Recording] There is no contradiction in maintaining the resolute principles of Mexico's foreign policy and the fact that we have an economic, financial-trade relationship with any country in the world. [end recording]

During a joint news conference with Cuban Foreign Relation Minister Roberto Robaina following the closing of the seventh meeting of the General Intergovernmental Mexico-Cuba Mixed Commission in Mexico City, Gurria said that the Helms-Burton law could negatively affect 36 countries, including Mexico, that have over 200 investments and joint investment projects with Cuba.

Moreover, Cuban Foreign Minister Robaina declined to comment on the U.S. presidential election in November.

[Begin Robaina recording] It is up to U.S. citizens to elect whomever they want for president. At any rate, I want to assure you that we have no illusions regarding a second term, because my country has experienced a number of second terms before, and during those terms, nothing different from the first term has occurred. [end recording]

During the General Intergovernmental Mexico-Cuba Mixed Commission Meeting, the foreign ministers of Mexico and Cuba signed an agreement on legal cooperation on penal issues, an agreement regarding the implementation of legal verdicts, and the final report of the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

meeting, which includes agreements on political, economic, technical-scientific, education, and cultural issues.

Mexico: Working Session of U.S., Mexico Group Ends

PA2604011196 Mexico City XEW Television Network in Spanish 0300 GMT 25 Apr 96

[From the "24 Hours" newscast]

[FBIS Translated Text] National Defense Secretary General Enrique Cervantes Aguirre today in Washington wraps up the working sessions of the U.S.-Mexico bilateral group. During his speech, Cervantes recognized the seriousness of the drug trafficking situation and the pressing need to intensify the efforts to confront it. Cervantes said that drug trafficking is a threat mostly to youths. He stated that Mexico, without compromising its sovereignty, is pooling efforts with other countries to fight drugs. It has been reported that Mexico will acquire several dozen U.S. helicopters to fight drug trafficking.

Mexico: DEA Official Constantine's Remarks Rejected

PA2604030496 Mexico City Radio Red Network in Spanish 2300 GMT 23 Apr 96

[From the "The Night Monitor" newscast]

[FBIS Translated Text] [Station announcer Martin Espinoza] The commissioner to the National Counternarcotics Institute [INCD], an entity of the Attorney General's Office, and thus, of the Mexican Government has flatly rejected there are indications money is being laundered in Mexican banks. Why does the INCD say this? Yesterday, DEA Administrator Thomas Constantine reportedly did not say what he said, but there you have the recordings, and he clearly stated that huge amounts, tons of money, are flown to Mexico and deposited in our country's banks. Mexican authorities are rejecting this statement, and Edgar Munoz is going to tell us about this.

[Munoz] Yes, INCD Commissioner Francisco Javier Molina Ruiz stated there is no evidence that money coming from the United States is being laundered in Mexican banks. The official said he was unaware that money from drug trafficking was being deposited in local financial and loan institutions, as DEA Administrator Thomas Constantine affirmed.

[Begin Molina recording] On the matter of drug trafficking, it becomes very important to define that we must have clear evidences when making a statement. The INCD cannot be sure, and we do not have information that can make us feel sure, that there is smuggling of money that could wind up in local banks. [end recording]

[Munoz] Molina said there is no evidence that mo[illegible] is being laundered in legitimate Mexican banks. Thi[illegible] official, who is the person responsible for fighting drug trafficking in our country, noted he has not discussed this topic with the DEA representative but added that anyone who dares make this kind of statement must have clear evidence. Pointedly evasive to questions by local and foreign reporters, Molina Ruiz stated that when he served as attorney general in Chihuahua he was not in charge of the arrest of drug trafficker [Chihuahua Cartel chief] Amado Carrillo. Now, that he is INCD commissioner, no effort will be spared to arrest him.

The U.S. Ambassador to Mexico James R. Jones also attended the 14th international drug control conference and rallied to Constantine's defense, saying those remarks were misinterpreted since Constantine, according to the ambassador, never accused Mexico or any other country of participating in money laundering. Let us listen to Ambassador Jones' remarks.

[Begin Jones recording in English] He is not accusing Mexico or any country of anything. What Administrator Constantine was saying... [end recording]

[Munoz] As you reported, the tape recording of Constantine's remarks is very clear, and the DEA administrator affirmed several millions, he even used the word in bulk [a granel], of laundered dollars were deposited in Mexican banks. The most disturbing thing, however, for those of us who are attending or covering the international conference were the remarks Deputy Attorney General Hiram Escudero Alvarez made today. Since he is in charge of the INCD strategy, he was asked about this and he merely said he was unaware money is being laundered. Those are the highlights.

[Espinoza] This is what the former New York Police Chief Thomas Constantine, who is now the DEA administrator, said and you can imagine how important his remarks are. This is what he said verbatim: We have recently observed a trend by drug traffickers to fly airplanes into Mexico through the southwestern border with the United States with tons of money in cash, which is injected in Mexican banking institutions. This is what he said. Some say Mexican reporters misinterpreted him.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mexico: Senators' Commitment To Vary 'Zedillo Law'

PA2604040296 Mexico City EL FINANCIERO in Spanish 23 Apr 96 p 5

[Report by Salvador Rico]

[FBIS Translated Text] After intense protests by the El Barzon Movement, the executive's bill on the debtors of the banking sectors was finally partly repealed after the implementation of more than 100 modifications. With the inclusion of the numerous reforms, the legislative branch's package was approved yesterday.

In an unprecedented move, which caused a tense atmosphere in the senate, approximately 1,000 "Barzon members" prevented the senators from entering the senate building. This action caused the session, slated for 1200, to begin at 1430.

Following emergency negotiations between "Barzon" leaders Juan Jose Quirino Salas, Alfonso Ramirez Cuellar, and Liliana Flores Benavides and representatives of the three senate blocs, including PRI [Institutional Revolutionary Party] member Amador Rodriguez Lozano, PAN [National Action Party] member Juan de Dios Castro Lozano, and PRD [Party of the Democratic Revolution] member Ernesto Navarro Gonzalez, the demonstrators got the legislators to commit themselves to make many changes to the so-called "Zedillo Law."

During the tense day of demonstrations, joined by Cuauhtemoc Cardenas and "Superbarrio" Gomez [not further identified], there were several sparks of confrontation between "Barzon members" and the bodyguards of legislators, but in the end, the demonstration went off uneventfully.

When the legislators realized that El Barzon had decided to prevent them from entering the Xicotencatl 9 headquarters, they gave up and waited for a senate commission to negotiate with the leaders of the debtors' movement.

The demonstration took place amid the racket that characterizes El Barzon. Not only were they playing many musical recordings at the Sebastian Lerdo de Tejada Plaza, but they also had a band of mariachis playing.

The leaders of the demonstrators reached four agreements with the senators. The first one, which Barzon members were intent on reaching, was an agreement to annul the retroactive nature of various new regulations regarding debtors.

The Barzon members maintained that this change was very important, because if the bill would have been passed as originally drafted, it would have entailed serious damages for the debtors.

The demonstrators clarified that they will reserve the right to resort to an amparo for possible constitutional violations in the cases they deem necessary.

The following are the other three agreements reached by the El Barzon leaders and the senators of the PRI, PAN, and the PRD:

— The Senate of the Republic will sign (as it did in the afternoon) an agreement for several senators to form a commission to examine the problem of the overdue portfolios. This commission will operate in a parallel manner with the commission formed initially in the Chamber of Deputies.

— The senate will issue an appeal for creditors and debtors for the suspension of trials currently under way in the country's courts, similarly to the appeal made by the Chamber of Deputies on 8 December 1995. This point is also known as the legal truce.

— The senate commission commits itself to intercede to hold a meeting, as soon as possible, between El Barzon leaders and Finance and Public Credit Secretary Guillermo Ortiz.

In total, 98 votes were cast in favor of the approval of the bill of reforms, annexes, and annulments of various terms of the following laws: Code of Civil Procedures for the Federal District, the Charter of National Finance Bank Inc., the Code of Commerce, and the General Law on Deeds and Credit Operations.

In general and in particular, there were two nays: Irma Serrano and Felix Salgado Macedonio.

From the dais, Hector Sanchez Lopez, coordinator of the PRD bloc, explained that the vote by PRD senators would be, in general, in favor. However, as an individual, he expressed his rejection of many regulations.

He said that the PRD decided on a favorable vote in light of the PRI bloc's willingness to implement changes to satisfy the demands voiced by El Barzon.

Throughout the debate, the senators agreed that yesterday's events are a warning that the senate should reflect more thoroughly on the content of the bills from now on.

PRI member Rodolfo Becerril Straffon praised the willingness displayed by the three blocs to listen to the demands voiced by El Barzon.

PRD member Felix Salgado Macedonio noted that this "was a small victory," and predicted that the demonstrations will continue until the country's economic problems are tackled at the source.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Honduras

Honduras: Reina Says C.A. Heads Sent Message to Wasmosy

PY2504123396 Madrid EFE in Spanish 1536 GMT 24 Apr 96

[FBIS Translated Text] Tegucigalpa, 24 Apr (EFE) — Honduran President Carlos Roberto Reina announced today that the Central American presidents have sent a message of support to their Paraguayan counterpart, Juan Carlos Wasmosy, following the insubordination of [former Army Commander] General Lino Oviedo.

Reina, who is the pro-tempore president of the regional integration group, noted: "The Central American presidents have authorized me to send, in their name, a message of solidarity and support for his constitutional government to President Juan Carlos Wasmosy."

Oviedo rebelled on 22 April against Wasmosy, who ordered his retirement from the post of Army commander. Oviedo ultimately accepted and was replaced today by General Oscar Diaz during a ceremony held at the Paraguay Army Command headquarters.

The Honduran president noted that Wasmosy coped with "difficult circumstances" that forced him to make "radical changes," ordering the replacement of Oviedo.

During a visit to the National Autonomous University of Honduras, the Honduran president told local journalists: "But he has done it, he exercised the Paraguayan people's mandate bestowed upon him."

Reina added: "All Central American and continental democratic governments express support, solidarity, and backing for him."

Nicaragua

Nicaragua: Chamorro, Officials Designate Historical Park

PA2604025496

[FBIS Summary] Managua Radio and Television Networks in Spanish at 2105 GMT on 25 Apr 96 broadcast live ceremonies designating Tiscapa Hill as a national historical park. Coverage lasts 142 minutes.

Coverage begins with the Nicaraguan national anthem and the master of ceremonies reviewing Tiscapa Hill's history and listing officials in attendance.

At 2221 GMT, Cardinal Miguel Obando y Bravo delivers a short statement, quoting scriptures, extolling the virtues of peace, and blessing the park.

At 2230 GMT, Army General Joaquin Cuadra, commander in chief of the Army, delivers a 13-minute address on the historic importance of Tiscapa Hill. Cuadra recognizes those who were tortured on the hill, including President Violeta Chamorro's late husband, during various political uprisings. He points out that opening the hill to the public proves that Nicaraguans are free to exercise their rights and helps bridge the gap between civilians and the military.

Cuadra says: "We are convinced that we must walk with a firm step toward a society in which national and common welfare will prevail over any personal, private, or group interest in which there will be no other power over civilian power. This is our true and most intimate commitment with the future of our fatherland. It is precisely from this perspective that the concept conceived for this national park has not only been determined by architectural and urban components, but by historic and political criteria. Civilian society, the state, and the military coexist in a harmonious manner in it. The summit of Tiscapa Hill, where the ruins of the old presidential house are located, represent the people's authority over the entire institution. The esplanade, an area of a civilian nature, located at the foot of this hill, represents the new civilian state of Nicaragua and it will be the site of public gatherings with the historic monumental tribunal as its focal point. The military installations, located on part of this hill, are evidence of an urban symbolism — since it is not real and effective — that military power is subordinated to civilian power and the duty of the National Army is to be a guarantor of peace, sovereignty, and independence of the nation and the integrity of its territory."

He expresses the hope that the public will find the park a leisure retreat and reiterates: "It is, therefore, in a ceremony such as this, characterized by the most broad consensus, where the Nicaraguan Army has shown irrefutable evidence of its decision to continue fostering and consolidating a harmonious relation with sectors in power and civilian society."

At 2244 GMT, Foreign Minister Ernesto Leal delivers a 16-minute address praising those who gave their lives on the hill for Nicaraguan liberty and democracy.

He says: "Today can say with pride that democracy is being consolidated Nicaragua. We can say with pride that there are no more political prisoners or exiles. These facilities, which yesterday served to denigrate human beings, will never again be used to torture and to humiliate men. Today, the Nicaraguan people have full freedom of expression, full freedom of mobilization, and full freedom of association. We have an army and a police department that have not only started their professionalization phase but also, as General Cuadra personally said, have the desire and determination to continue

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

perfecting their professionalism. The Nicaraguan people cannot deny that we now breathe freedom; and the Nicaraguan people cannot deny we now have four totally independent branches. Therefore, this freedom we now have is the one which should prompt us all to reflect that there should be no reasons, no matter how strong, to fight among ourselves at the battlefields in fratricidal wars. The only war all the Nicaraguan people should be willing to wage, united with a single purpose, is the war against poverty."

Leal condemns dictatorships of the past and praises Nicaraguan efforts at reconciliation.

He notes: "We are aware that the Nicaraguan people still have a long way to go, but in 1996 only we faced the great challenge of having free and honest elections — elections in which the people will freely choose the president that will rule Nicaragua for the next five years and, above all, in which the people accept the results of these elections, no matter what they are. This year we will hold elections where, for the first time in the last 100 years of our history, a freely elected civilian will transfer the presidency of the republic to another civilian, also freely elected."

Leal then recounts the cases of torture on the hill and assures relatives of the victims that their struggle was not in vain.

He concludes to a round of applause: "The great challenge for the new president, freely elected in the next elections, will be to continue with the consolidation of our democratic process so we never again return to this sad past; and so we may build the future of peace and the future of justice and prosperity that our people deserve."

At 2301 GMT, Oriel Soto, legal affairs director of the Nicaraguan presidency, reads the text of the decree designating Tiscapa Hill a national historic park.

At 2306 GMT, President Violeta Chamorro signs the decree to a round of applause, then addresses the officials and the audience.

She begins by thanking Cardinal Miguel Obando y Bravo for being in attendance and blessing the site. She says that this site has special meaning for her, as her husband was tortured here, along with many others and became martyrs for their country.

At 2309 GMT Chamorro says that the actions of these people were not in vain because today, democracy has replaced dictatorship. She says: "In Nicaragua today, for the first time in our history civilian power prevails over military power, and the Nicarguan Army has firmly shown its determination to strengthen its professional and institutional framework, which proves its love for Nicaragua."

"In the social sector, we have undertaken an enormous priority: Health services and education. We have incorporated the citizens' participation in those important areas for the future of our country. I am proud to announce that for the first time in Nicaragua, women, children and families have been given the attention they deserve in our society."

Chamorro continues by saying that the government has gained control of inflation and the foreign debt has been reduced. She gives examples of the recently renegotiated debt with Russia, and the resumption of economic activity in the small business and farming sectors.

Chamorro says: "We still have a huge task ahead. My government will not rest during the next few months seeking truly satisfactory solutions for the benefit of the most needy among our people."

"Dear friends: I received a country bathed in blood, impoverished, and subject to the domain of a political party. I will deliver to my successor a peaceful Nicaragua, in a climate of total freedom, with many political parties, and an economy in order, which I am confident will continue to grow this year, for third consecutive time. Democracy is irreversible today. I will be ending my presidential term with the civic celebration we will have during the free elections on 20 October. I will have consolidated the democratic institutional system in Nicaragua."

Chamorro continues: "On this occasion, with the active participation of the country's armed institution, formerly called the Sandinist Army and currently called the National Nicaraguan Army, and with patriotic and democratic efforts, I am proudly changing this place, which was a symbol of the dictatorship, militarism, and oppression of an entire people for many decades, into a permanent monument for freedom and peace."

President Chamorro concludes her address by saying that never again should Nicaragua have torture, political prisoners, or a dictatorship. History should show today that what dictatorships took from the people has been returned to the people today.

At 2320 GMT President Chamorro unveils the plaques to be placed along the walls of the ruins and then asks all present to join her in singing the national anthem.

At 2327 GMT the ceremony concludes.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Panama

Panama: Manager of Castrillon's Accounts Arrested

PA2604034196 Panama City EL SIGLO in Spanish 24 Apr 96 p 14

[Report by Marcel Chery]

[FBIS Translated Text] Yesterday, state security officers arrested Enrique Chong, who was responsible for managing the accounts of Cali cartel kingpin Jose Castrillon Henao.

Meanwhile, the Colombian capo was taken to the Drugs Prosecutor's Office to give his statement. Former Attorney General Rogelio Cruz, Castrillon's defense attorney, refused to let his client be questioned on alleged violations of his rights.

Chong, who appears as the person responsible for managing the money earned by Castrillon Henao from operations to sell the Cali cartel's drugs, was arrested yesterday morning at a luxury apartment in Panama City.

Enrique Chong is a relative of Paola Tejada de Chong, a Panamanian national who was arrested with the Colombian capo, as well as Dalia Ivette Chong and Carlos Chong Tejada, who are allegedly implicated in drug trafficking activities.

In addition, it was indicated that the manager of drug trafficker Castrillon Henao is the chairman of the company Tiffany Real Estate Investments, Inc.; treasurer of the corporations Fuji Investment, Inc.; Survivor Shipping, Inc.; Interoceanic Enterprises, Inc.; and Loriar Investment Inc. Chong also appears, along with former Legislator Anel Ramirez, as chairman of Norpris Peg Shipping, Inc.

All these companies were allegedly used to cover up the distribution by sea of the Cali cartel drugs to Europe and the United States.

Meanwhile, Castrillon Henao was taken, under strict security measures, to the Drug Prosecutor's Office to give his statement. Rogelio Cruz, Castrillon's legal representative, said that it was wrongful that the accused be left handcuffed while giving his testimony.

It was also reported that security measures at the Modelo Jail, where Castrillon Henao has been imprisoned, have been reinforced to avert any possibility of escape.

Panama: More Security To Deter Drug Trafficking Threats

PA2604002096 Panama City EL PANAMA AMERICA in Spanish 25 Apr 96 p 1A

[Report by Aquilino Ortega Luna]

[FBIS Translated Text] Martin Torrijos, acting Government and Justice Minister, stated yesterday that security has been intensified in the country's streets and avenues to deter possible attacks from organizations connected to drug trafficking. This comes following the arrest of active Cali cartel member Jose Castrillon Henao.

Acting Attorney General Mercedes Arauz de Grimaldo, meanwhile, has assured that an investigation by the country's top legal and public security officials has ruled out any possible threats to government officials by drug traffickers.

A police source recently revealed information on reported "threatening" telephone calls that the Cali cartel made to Panamanian police officials after dangerous Colombian drug trafficker Castrillon Henao was captured.

"We have taken all the precautions and are on alert," Torrijos stressed. He added that the Castrillon Henao case will be given the same follow-up as that given to any incident in the country involving illegal activities, such as drug trafficking or money laundering.

On another note, Torrijos announced that a Puerto Rican trade mission will fly to Panama with the purpose of giving a wide explanation on the implementation of "electronic bracelets" in Panama.

Panama: 14 People Linked to Castrillon Henao Arrested

PA2604121896 Panama City EL UNIVERSAL DE PANAMA in Spanish 25 Apr 96 p 1A

[Report by Justino Gonzalez, Jr.]

[FBIS Translated Text] The Drug Secretariat has arrested 14 businessmen and tradesmen in Panama linked to a shipping consortium owned by alleged drug trafficker Jose Castrillon Henao. The consortium's operations hub is located in Colombia. This Secretariat has also ordered the freezing of the drug trafficker's countless bank accounts. Some of these accounts were already frozen, and the notes to freeze the others are being issued.

The owner of a Panamanian company that equipped and maintained the fleet of ships that operated in Central and South America, according to the Drug Secretariat's records, stands out among those arrested.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Narcotics units raided the "Pesqueras, Inc." company, where they found alleged commercial documents on the presumed relations between this Panamanian businessman and the drug traffickers network. The fleet was used to ship drugs to the United States.

The connections with this shipping consortium were made in Colombia and Ecuador, where there also is a file on Castrillon for international drug trafficking. According to the exchange of information among security bodies, a number of properties and goods belonging to the alleged Cali cartel leader have been confiscated in these South American countries.

The relations of the arrested businessmen and tradesmen consisted of commercial transactions stemming from bank deposits and services rendered to the fleet of ships. It was learned that the authorities have conducted at least 16 raids in Panama City businesses. As the investigations unfold, some tradesmen have been released for lack of evidence.

Castrillon's family lives in the United States, and he used to travel the United States-Panama-Colombia route.

The authorities also found out that Castrillon had made deposits in the U.S. Central Bank, deposits that have been frozen. [sentence as published]

U.S. authorities are also making a file on the Colombian for introducing tons of drugs in this country. Castrillon was arrested following a long international operation by security bodies.

He opened accounts in local banks to conduct his money laundering operations. It was also determined that he used the ports of Vacamonte, Balboa, and Cristobal to ship the drugs.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina

Argentina: Wasmosy Congratulated for Handling of Crisis

PY2604012496 Buenos Aires TELAM in Spanish 0000 GMT 26 Apr 96

[FBIS Translated Text] Buenos Aires, 25 Apr (TELAM) — The Foreign Ministry has announced that President Carlos Menem today conveyed to his Paraguayan counterpart Juan Carlos Wasmosy his satisfaction over the latter's ability to peacefully surmount the mutiny instigated by [former Army Commander] General Lino Oviedo.

The Foreign Ministry stated: "President Menem telephoned President Wasmosy to express his satisfaction over the democratic solution found to the crisis in Paraguay."

Having decided to send the influential Gen. Oviedo into retirement and to replace him by Division General Oscar Rodrigo Diaz Delmas, the Paraguayan head of state refused to appoint the retired general as defense minister.

Menem telephoned his opposite number at Lopez Palace from Government House in the afternoon as soon as he learned from reliable sources about the favorable evolution of the events occurring in Paraguay.

The source said: "The head of state reiterated his appreciation for and solidarity with President Wasmosy and congratulated him for the efforts he made to preserve the constitutional order in Paraguay."

In a message delivered from Lopez Palace, Wasmosy announced that Gen. Oviedo was not going to be installed as defense minister. The former Army commander complied with the chief executive's decision some hours later.

Argentina: Menem Promises Fujimori To Probe Arms Case

PY2504190696 Buenos Aires TELAM in Spanish 2238 GMT 24 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 24 Apr (TELAM) — A high-ranking Foreign Ministry source confided tonight that President Carlos Menem today promised his Peruvian counterpart Alberto Fujimori that he would enhance the investigation into the alleged diversion of arms to Ecuador "and definitively resolve it."

The source noted: "President Menem entered this commitment through a personal letter to the Peruvian president carried by Interior Minister Carlos Corach."

Corach and Foreign Ministry Coordination Secretary Andres Cisneros traveled to Lima, Peru, today to participate in a hemispheric meeting on International Antiterrorism sponsored by the OAS in compliance with the agreements achieved at the Miami summit.

The source indicated: "Menem told the Peruvian president that the courts have all the background information and confirmed his hopes that the appropriate responsibilities will be defined very soon." [passage omitted]

The source underscored: "President Menem resorted to his personal relationship with Fujimori to confirm the fraternal ties between the two nations and guarantee that the investigation into this episode — which, before the courts pass any judgment, deserves the strongest condemnation by the Argentine Government — would be enhanced."

The source indicated that, while fulfilling the presidential instructions of sending all the elements to the courts, Judge Jorge Urso, who is hearing this case, canceled the indictment of Nestor Stancanelli and Ernesto de la Torre.

The two diplomats were members of the Economy Committee and Foreign Relations Committee that approved the arms sales that were allegedly consigned to Venezuela.

Stancanelli and De la Torre were initially indicted, but, as the investigations progressed, were subsequently disentailed from the case.

Argentina: UCR Accuses Minister of Falsifying Records

PY2504175596 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2017 GMT 20 Apr 96

[FBIS Translated Text] Buenos Aires, 20 Apr (NA) — The Radical Civic Union [UCR] today accused Economy Minister Domingo Cavallo of having forged the tax collection revenue for March in order "to fictitiously fulfill" the goals established with the IMF.

This will be the theme UCR deputies will expound when Cavallo testifies at the Chamber of Deputies Finance and Budget Committee on the morning of 24 April. This testimony will mark the start of the minister's interpolation at the Senate during the same afternoon.

UCR Deputy Jesus Rodriguez told NOTICIAS ARGENTINAS that the UCR has "documents that prove" the Economy Ministry "manipulated the VAT tax collection figures" in the tax collection statistics for March.

The UCR will confront Cavallo with this denunciation when the minister comes to the Chamber of Deputies

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

within the framework of the controversy provoked by the Economy Ministry decision to reduce the tax on soft drinks from 24 percent to 4 percent, among other changes in VAT implementation.

The UCR legislator and UCR opposition chief of cabinet said: "We have documents showing that March revenues produced by VAT are 120 million pesos and Cavallo must explain this difference."

The Economy Ministry said in its monthly report that VAT revenues during March were 1.5863 billion pesos, 9.6 percent up on the same month in 1995.

Rodriguez pointed out that UCR technicians report that 120 million pesos derived from a foreign loan were transferred to account number 4000 of the Argentine National Bank with the sole purpose of "closing the fiscal accounts due in March and the first quarter."

If these figures are taken into account, tax collections derived from VAT were barely 1.3 percent above what was collected in March 1995.

With these figures Argentina would have not have fulfilled the goals agreed with the IMF because nearly 96 million pesos more were needed to meet the figure released for the first quarter.

Rodriguez emphasized: "Cavallo will have to justify why the March collection figures were forged because the last day of this month's figures included an additional 120 million pesos." The legislator will be the UCR spokesman when Cavallo comes to explain the situation at the Finance and Budget Committee. [passage omitted]

Argentina: Gagliardi Sworn In as Senator for Rio Negro

PY2504132896 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2024 GMT 24 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 24 Apr (NA) — Edgardo Gagliardi, a UCR [Radical Civic Union] leader from Rio Negro Province, was sworn in as senator today after the Senate approved his nomination and delayed a decision on his alternate, Carlos Carassale.

Gagliardi served as Rio Negro vice governor until 9 December. After his election as senator by a majority vote, his entry into the Senate was delayed over a lawsuit against him for alleged misuse of public funds. [passage omitted]

Argentina: New Naval Aviation Sea Patrol Squadron Debuts

PY2504190996 Buenos Aires TELAM in Spanish 2015 GMT 19 Apr 96

[FBIS Translated Text] Rawson, 19 Apr (TELAM) — Admiral Enrique Molina Pico, Navy chief of staff, inaugurated here today the Naval Aviation Sea Patrol Squadron [Escuadrilla Aeronaval de Vigilancia Maritima] that will be based at the Almirante Zar base of Trelew and will patrol the Argentine coast.

The ceremony was held at the Naval Aviation 3 parade ground. Felipe Sola, agriculture, fishing, and food secretary, attended the ceremony. Defense Minister Oscar Camilion was not present for agenda reasons.

In remarks to journalists, Sola emphasized the importance of the "Naval Aviation Squadron patrols to prevent foreign fishing fleets from plundering fishing resources in the Exclusive Economic Zone."

Rear Admiral Basilio Pertine, Naval Aviation commander, told TELAM: "Patrolling the sea in the exclusive economic zone to prevent predatory practices is a difficult task." He emphasized: "This patrolling squadron will help reduce costs, as it is based in Trelew."

The squadron inaugurated today by Molina Pico includes seven B-200 planes that are being equipped with surveillance radars and rescue gear for patrolling the South Atlantic.

Military sources reported: "The squadron will be based in Trelew, and will control fishing vessels within the 200-mile exclusive economic zone."

Brazil

Brazil: Santos Appointed Congressional Affairs Minister

PY2604002996 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 25 Apr 96

[FBIS Translated Excerpt] Presidential Spokesman Sergio Amaral has just confirmed that Deputy Luiz Carlos Santos [Brazilian Democratic Movement Party-Sao Paulo], government leader in the Chamber of Deputies, has been appointed as special minister for congressional affairs. Regarding the agriculture minister, Amaral said that President Cardoso has still not chosen the name. He said he will be from the PPB [Brazilian Progressive Party] of Esperidiao Amin and Paulo Maluf. [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Brazil: Appointment of Agrarian Reform Minister Confirmed

PY2504145696 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 25 Apr 96

[FBIS Translated Text] Planalto Palace has confirmed the appointment of Raul Jungmann, who currently heads the Brazilian Institute for the Environment, as special agrarian reform minister. Here is Luiz Augusto Mendonca's report:

[Begin Mendonca recording] The name of Raul Jungmann for the Special Agrarian Reform Ministry was confirmed in the middle of the night by the Planalto Palace Press Advisory Office.

As President Fernando Henrique Cardoso still has not defined who will head the Agriculture Ministry, the cabinet meeting that had been scheduled for 27 April will actually take place on 3 May.

President Fernando Henrique Cardoso left Planalto Palace after 2100 and went to the Ministries' Esplanade to have dinner with Senate President Jose Sarney, who is celebrating his birthday.

Planalto Palace has also reported that President Cardoso is still studying names of people who could be appointed to replace Jose Andrade Vieira at the head of the Agriculture Ministry, although no invitation has been formally made yet. [end recording]

Brazil: PSDB President Views Administration's Performance

PY2504162696 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Apr 96 p A7

[Interview with Alagoas Senator Teotonio Vilella Filho, elected president of the Brazilian Social Democracy Party at the 20 April convention, by Rosa Costa; place and date not given]

[FBIS Translated Text] [Costa] What do you plan to do, as PSDB [Brazilian Social Democracy Party] president, to help the administration?

[Vilella Filho] The party's relations with the administration are very good. We give our support to the administration to improve the country's governability, but I believe that the party can have a very important role if it takes action to speed up the constitutional reforms.

[Costa] Is the PSDB satisfied with the president of the Republic?

[Vilella Filho] This satisfaction can increase. Things are never fully complete. I believe that President Fernando Henrique Cardoso expects, and the PSDB will certainly meet this expectation, a better performance in the party's participation in the construction of an invulnerable administration. The PSDB also expects the president to continuously improve his performance.

[Costa] Does the party have any reservations about Cardoso's administration?

[Vilella Filho] On my part, I only have praise for his administration. I have worked in his electoral campaign as an enthusiastic PSDB militant and I am still enthusiastic.

[Costa] Do you agree with the measures the administration has adopted to assist the banks that went bankrupt?

[Vilella Filho] I believe they are necessary because, if the pillars of the financial system go down, the entire economy will go down too. I think, however, that the administration is losing the communications battle. It is not succeeding in showing the public that the measures are necessary. This also occurs during the dissemination of the latest constitutional reforms. Communications are not being duly decoded for the common citizens to understand.

[Costa] Do you plan to suggest changes in this area?

[Vilella Filho] Yes, this has been one of my concerns as a senator affiliated to the PSDB. It is evident that, as PSDB president, I will continue working to improve the administration's communications with the public.

[Costa] Former Finance Minister Ciro Gomes says that the party's program is not being implemented by the administration. Do you agree with him?

[Vilella Filho] Not in terms of our relations with President Fernando Henrique Cardoso. In some points, however, this does occur, and this is due to the speed with which changes are taking place worldwide. Not only the party's statute, but also the Constitution and the laws that have been approved quite recently, are becoming dead letters by the day. There is a permanent need to update them, and the PSDB is on the alert to implement the required changes.

[Costa] Which points of the party statute do you consider old- fashioned?

[Vilella Filho] We will set a date for a new convention to update our program and to adapt it to the phenomena that have been occurring since the day when the statute that is currently in force was approved.

[Costa] Do current relations with the Liberal Front Party [PFL] make it more difficult to implement the PSDB program?

[Vilella Filho] No, they do not. The alliance with the PFL is absolutely necessary to support the administration politically, to make feasible the urgent reforms that

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

are so necessary for the Brazilian people, to allow us to take the next step toward monetary stability, and to help to create jobs as a result of economic growth.

[Costa] What is your opinion about the adequacy of discussing the reelection issue now?

[Vilella Filho] As PSDB president, I will meet with the executive board to evaluate the reelection issue. I made two speeches at the Senate saying that this issue, no matter how important it is, should only be voted on after the constitutional reforms are. It does not matter whether it is next year, but the reforms are the priority. It is evident that, as PSDB president, I will have to listen to all opinions and accept the opinion of the majority.

Brazil: Commentary Notes 'Concern' Over Public Area Debt

PY2504194096 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Apr 96 Section 1 p 9

[Commentary: "The Debt Causes Concern, Part 1" by Celso Pinto]

[FBIS Translated Text] If measured in dollars, the overall net debt of the public sector reached a record level in 1995. It totaled $213 billion (36.8 percent of the GDP), according to official criteria, or $267 billion (46 percent of the GDP) when some existing debts that have not been registered are taken into account. This means that, according to a broader and realistic criterion, each Brazilian is currently born with a $1,650 debt.

The overall net debt adds up the debts of all government spheres: federal, state, and county spheres, as well as the Central Bank and the state-owned companies. Credits and exchange reserves are deducted from this overall debt. The net debt refers, therefore, to the effective debt, and its variations are equivalent to the deficit or surplus of the public sector.

The administration has been claiming that, although some debts have increased very much (the public domestic debt, for example, has doubled and reached record levels), the net debt — which is relevant — remains under control.

A careful analysis of the net debt, however, indicates that it is also cause for concern. Its broadest total has already reached the record level of 46.7 percent of the GDP. This occurred in 1989, and it led to the Collor Plan swindle and confiscation, which were implemented in 1990.

The net debt represents "a serious threat to the consolidation of the Real Plan, be it due to its volume or to its high cost." If the problem is not fought by a fiscal adjustment combined with privatization, reduction of interest rates, and control over increasing reserves, it may get out of control. The risk is "that the inflation rate can go up again in the next few years as a result of a fiscal deterioration and, as a result, the economic growth rhythm could be jeopardized."

These calculations and conclusions have been reached by three respected economists who previously occupied important positions in the Central Bank and the administration and are currently working as private consultants: Alberto Sozin Furuguen, Luis Pamplona de Paula Pessoa, and Satossi Abe. They have conducted a broad analysis of the net debt from 1982 to 1995 for the Garantia Bank. I mention their main conclusions in this column and the specific points of their analysis in the next columns.

The net debt is cause for concern due to the swiftness of its recent acceleration, its cost, and its magnitude. Developed countries that have debts larger than that, such as Italy (120 percent of the GDP) and Belgium (129 percent), have an infinitely lower cost, longer terms to pay for them, and credibility — which is an ingredient Brazil has lost as a result of several recent swindle cases and hyperinflation.

The sudden and recent increase of the net debt was a result of three factors: accumulated reserves, high interest rates, and fiscal deficits.

The problem of the debt's cost is not only a result of the extremely high interest rates, but also of the debt's composition. In 1982, 54.5 percent of the debt was in foreign debt, which is cheaper, and 45.5 percent in domestic debt. Nowadays, 82 percent of the overall net debt is in domestic debt, which is more expensive.

The origin of the debt is also important. While state and county administrations have natural limits to their debts, because they cannot issue money, the federal administration has an almost unlimited capacity to make debts (as long as the market accepts it).

Therefore, the fact that the federal debt has increased so much in the last few years (from 9.1 percent of the GDP in 1993 to 15.9 percent last year), and that the federal administration has been increasingly absorbing the debts of other government spheres, is bad news.

The magnitude of the debt is also reason for concern, particularly due to the unregistered debt issue. The three economists claim that the correct calculation of the net debt should take into account the $40 billion of the Compensation Funds for Salary Variations. This debt exists and costs a real 8 percent per year; half of it has already become due and the other half will become due in the next two years. Despite all that, however, it is not included in the net debt.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Program to Encourage the Reorganization and Strengthening of the National Financial System [Proer] should also be included in the debt account. Without taking into consideration what the Central Bank has granted to assist the Excel Bank, the program has already used up $5.8 billion and a good amount of it will be included among losses. The consultants also added to the net debt the $7.5 billion of the agricultural debt, which will be endorsed by the federal administration.

The consultants said that the cost of at least 2.2 billion reals that was used to increase the capital of the Bank of Brazil should also be included in the net debt. Furuguen and Satossi know what they are talking about: They have been chief and deputy chief, respectively, of the Economic Department of the Central Bank, which is responsible for official calculations on the net debt.

Brazil: Bahamas Seeks Money Laundering Pact With Nation

PY2504135396 Rio de Janeiro O GLOBO in Portuguese 23 Apr 96 p 23

[Article by Aguinaldo Novo]

[FBIS Translated Text] Sao Paulo — The government of the Bahamas, an archipelago in the Atlantic Ocean that is a famous fiscal haven, will negotiate with the Brazilian Government a cooperation agreement to detect dirty money from drug trafficking and corruption schemes within the same framework of the agreements that are being discussed with Argentina and Chile. This was reported yesterday by Bahamian Prime Minister Hubert Ingraham who has been visiting Brazil since 22 April.

Bahamas is worthy of its reputation. Beside having beautiful beaches, the archipelago guarantees investors total secrecy on their banking activities and no taxes are charged on capital gains or interest. These conditions have attracted a legion of banks. More than 400 institutions from 36 countries are authorized to operate in the Bahamas, 35 of which are Brazilian.

Nowadays, the financial sector of the Bahamas is responsible for 15 percent of its GDP, which amounts to about $450 million. The problem is that, together with the banks, dirty money from smugglers has also arrived in the island.

Ingraham said: "We want to change this image and establish the Bahamas as a point of tourism and of freedom for new investments."

Last year, the Bahamian Government approved a law — the Money Laundering Law — which holds banks criminally responsible for the origin of the money they receive. At the same time, the Bahamas has signed a "mutual assistance" treaty with the United States and Canada to exchange information on U.S. and Canadian citizens who keep accounts in the Bahamas.

Last year, a Brazilian Central Bank mission went to the Cayman Islands, which is another fiscal haven, to detect accounts of Brazilians who are suspected of having illegally remitted hard currency abroad. The investigations, the results of which are kept secret, were prompted by the discovery of irregularities in the administration of the CC-5 accounts (accounts of nonresidents).

Although the Bahamian delegation visit is not official, it has a full agenda. Ingraham heads a mission that will meet businessmen from the tourism, food, and banking sectors. The list includes the Brazilian Federation of Bank Associations (Febraban) and the Andrade Gutierrez Construction Company. The Bahamian delegation comprises 24 people. Beside the prime minister, it includes Bahamian Central Bank President James Smith, and Finance and Planning Minister William Allen. Ingraham stated that Brazil, because of its size, will be consolidated as the main trade partner of the Bahamas in the continent, following the United States.

Brazil: Ministry Grant Delay Slows Reform Process

96SM0257A Rio de Janeiro JORNAL DO BRASIL in Portuguese 18 Apr 96

[Article by Eugenia Lopes: "Promised Ministry Slows Reform"]

[FBIS Translated Text] **Inocencio feels that satisfying the PPB [Brazilian People's Party] is the only thing needed to put social security reform in gear.**

Brasilia—PFL [Liberal Front Party] leader Inocencio Oliveira (Pernambuco) said yesterday that the difficulties encountered in winning approval of social security reform are due to the ministry which the administration promised the PPB but which it has so far failed to deliver. "If it delivers the ministry, everything will get on track," Inocencio said. He again stressed the idea—rejected in principle by Sao Paulo Mayor Paulo Maluf—of establishing a special Ministry of Housing and Sanitation to satisfy the PPB. "I am going to take that proposal to President Fernando Henrique Cardoso tonight (last night)," the leader said.

But the administration's delay in giving a ministry to the PPB, the third largest party in the Chamber of Deputies, has slowed the timetable for constitutional reforms. Because of that, the leaders of the government parties yesterday advocated calling Congress into session during the July recess. "There cannot be a recess because there is no more time left for approving the reforms

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

in this half of the year," said the deputy government leader, Deputy Arnaldo Madeira (PSDB [Brazilian Social Democracy Party], Sao Paulo). The PMDB [Brazilian Democratic Movement Party] leader, Deputy Michel Temer (Sao Paulo), agreed: "There will have to be a special session because we will not be able to approve the reforms before July."

With action on social security reform at a standstill pending a decision by the Federal Supreme Court (STF), the timetable established for the administrative and tax reforms has also been slowed. There is not enough time left in which to approve the reforms before the recess, and the municipal election campaign will begin in August. "Congress cannot stop working. We must harmonize the election campaign with legislative work," Inocencio declared.

The leaders of the opposition parties tried yesterday to stage a big demonstration against what they called the "authoritarianism" of the speaker of the Chamber, Deputy Luis Eduardo Magalhaes (PFL, Bahia), in connection with the voting on constitutional reform. But the protest was a big failure: none of the class organizations that were invited sent representatives. Former Governor Leonel Brizola and Jose Dirceu, president of the PT [Workers Party], also failed to appear. Officially, the opposition leaders said that the demonstration had been canceled because of insinuations that its purpose was to put pressure on the STF, which is to issue a ruling next week on the merits of the writ of security that has brought social security reform to a standstill.

Brazil: Electric Sector Privatization Obstacles Seen

96SM0257B Rio de Janeiro JORNAL DO BRASIL in Portuguese 19 Apr 96

[Unattributed article: "Electric Sector and Privatization"]

[FBIS Translated Text] The Rio Doce Valley Company is not the only firm experiencing pressure to prevent its privatization. There is also strong resistance by corporatist groups to the transfer of the electric industry to the private sector. That statement comes from the national energy secretary in the Ministry of Mines and Energy, Peter Greiner.

According to Greiner, who is implementing the privatization program for the Ministry of Mines and Energy, the resistance is coming from several sectors, especially the unions and employees' associations. But according to him, that pressure will probably not delay the program. He said that the name of the consulting firm chosen to draw up plans for privatizing the electric sector would be announced within the next few days. From an initial list of six consulting firms, the choice is now down to three. They are Coopers & Lybrand, Ernst & Young, and Putenan & Hayes.

Meanwhile, the national energy secretary claims that the process of privatizing the electric sector is not going to be stopped. Soon to be announced, for example, is the name of the first plant that will be sold. It will be the Funil plant in Rio de Janeiro State. Whoever leases it will have to build another hydroelectric plant in Sapucaia, a city also located in the interior of Rio de Janeiro. Negotiations with the state governments for privatizing their electric power plants are also underway, examples being the CERJ [Rio de Janeiro Power Company], Coelba [Bahia State Electric Power Company] in Bahia, Cosern [Rio Grande do Norte Power Company] in Rio Grande do Norte, Cemat [Mato Grosso Power Plants, Inc.] in Mato Grosso, and Ceron [Rondonia Power Plants] in Rondonia.

The general opinion in the market and in sources close to the government itself is that resistance to privatization of the electric sector is even stronger than imagined. In the Ministry of Mines and Energy itself, there are strong signs of dissatisfaction, for example, with the behavior of the BNDES [National Bank for Economic and Social Development], which is managing the government's privatization program. A flagrant wrestling match is going on between the two sides. The BNDES wants to speed up the program, while the Ministry of Mines and Energy seems to be putting up various obstacles.

Another cause of disagreement within the government is the question of what to do with the proceeds of privatization of the electric sector. The Ministry of Mines and Energy says the money should be reinvested in the same sector, while the BNDES wants it to be used to reduce the domestic debt. Meanwhile, the program is standing still.

Brazil: Opposition Merges on CVRD, Election Issues

96SM0257C Rio de Janeiro JORNAL DO BRASIL in Portuguese 18 Apr 96

[Unattributed article: "Opposition Forms Front on Behalf of CVRD" — received via Internet]

[FBIS Translated Text] Brasilia—The president of the Senate, Jose Sarney (PMDB [Brazilian Democratic Movement Party], Amapa), and the president of the PT [Workers Party], Jose Dirceu, yesterday took the first step toward forming an opposition front. Their objective: to organize a national mobilization against privatization of the Rio Doce Valley Company (CVRD) and to oppose the bill on reelection. They also intend to support each other in the upcoming elections. Former Minister Ciro Gomes is also expected to join the front.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Sarney met yesterday with Itamar—who, for his part, met with Jose Dirceu. Two days earlier, Ciro Gomes had informally launched Itamar's candidacy for the presidency.

Sarney and Itamar decided to support the bill by PT Senator Jose Eduardo Dutra (Sergipe) making privatization of the CVRD subject to congressional approval. The vote, delayed for six months, has been scheduled for the beginning of May.

Itamar Franco also obtained the PT's support for his possible bid to become governor of Minas Gerais, and in exchange, he pledged to support the PT's mayoral candidates in Belo Horizonte (Virgilio Guimaraes) and Juiz de Fora (Deputy Paulo Delgado).

Ciro—"We will have our own candidate for president of the republic, but we may support Itamar for governor of Minas Gerais," Dirceu announced. According to him, "it is former Minister Ciro Gomes who will be the candidate for president, not Itamar." In Dirceu's opinion, Itamar is the only one who can oppose the reelection bill without being accused of opposing the Real Plan. The PT president pointed out, however, that the alliance with Itamar was a "temporary" one in opposition to reelection and the privatization of the CVRD. The former president declined to comment on the agreements, preferring to talk about generalities.

Late in the afternoon, Itamar received a visit from Supreme Court Justice Mauricio Correa and his [Itamar's] government leader in the Senate, Pedro Simon (Rio Grande do Sul). Concerning the efforts to reopen the CPI [congressional investigating committee] on banks, Correa, who is rapporteur for the writ of security filed by 16 senators, explained: "I was merely doing my duty in asking for information before issuing a final ruling on the writ."

Itamar spent the afternoon sounding out the possibility of his running for governor in Minas Gerais. He even made peace with the president of the DNER [National Highway Department], former Deputy Tarcisio Delgado, with whom he had been on the outs since Newton Cardoso was elected governor of Minas Gerais in 1986. Tarcisio and Itamar may support Deputy Paulo Delgado's candidacy for mayor of Juiz de Fora, in which case Tarcisio would drop out of the race and remain at the head of the DNER.

Brazil: Governors Join Forces To Avoid Bankruptcy

96SM0257D Rio de Janeiro JORNAL DO BRASIL in Portuguese 18 Apr 96

[Unattributed article: "Rope Around the Neck Unites Governors" — received via Internet]

[FBIS Translated Text] Discreetly and slowly but persistently, the governors throughout the country have been preparing to begin a season of joint actions to be carried out loudly and firmly. Having exhausted all the legal instruments available for preventing their states from entering into irremediable collapse, they have decided that the time has come to speak more sharply, focus on unity among the leaders of the 27 states and territories, set their disagreements aside, and go on the offensive in search of rescue.

An item of information revealed by Antonio Britto, governor of Rio Grande do Sul, provides a sample of the situation: without administrative reform, the states will begin entering the stage of nonpayment of their debts in August. Since that was said by the very man who heads one of the federation's most financially healthy states, it gives a good idea of how thick the rope around the neck of every one of them is.

What they urgently need is the elimination of job security for government employees so that they can lay people off and bring their payrolls down at least to what the law requires: personnel expenditures are not to exceed 65 percent of revenues. In Rio Grande do Sul, those expenditures now total more than 80 percent. And there, where things are going relatively well, the payroll is increasing by about 1 percent per month. In Rio de Janeiro, Sao Paulo, and Ceara, according to their respective governors, the natural increase reaches as high as 3 percent. Without the inflation trigger, the hole is growing regardless of anyone's desires or capabilities.

The governors also need a wage ceiling. But a ceiling without benefits, or "skylights," to borrow the expression used by the rapporteur for the reform amendment, Deputy Moreira Franco. Without it, the "maharajah" mentality will continue to be fed from a saucer of milk, "like a cat," said Nelson Rodrigues, referring to his own ulcer.

But since administrative reform alone is not enough, Their Excellencies have been meeting without fanfare to put together a strategy that will get them all out of the hole they have gotten into during this first year plus a few months in office. Each of them has been preoccupied with solving the problems of his own administration. So much so that the voices of the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

governors have rarely been heard in the nation's major debates, scandals, and controversies.

They have expressed themselves from time to time on this or that subject, but what they want to do now is very different. They will speak together loud and clear. For that purpose, they are taking advantage of the fact that the problems are common to all of them, they share the same willingness to face up to those problems, and their personal relationships with each other go back a long way and are more than cordial. Nearly all of them were colleagues in Congress. They have political experience: they know that they will not get what they want by shouting, making a show of force pure and simple, attempting to enslave the party blocs, or holding a spectacular meeting that results in photographs but solves nothing.

For that very reason, their nationwide alliance has so far not been attended by the fanfare of a circus ring. Their deliberate choice has been to work behind the scenes.

For example, besides their offensive in favor of the reforms—including social security reform, since only after that is settled can administrative reform be placed on the agenda—they are discreetly preparing for two other actions.

They are talking to the Central Bank [BC] about allowing the states to borrow money abroad. Currently, they can do so only in connection with specific projects negotiated with institutions such as the World Bank. They want more: they want to exchange the 50-percent interest rates charged by the domestic financial system for the 10 percent per year required by foreign lenders. And what they need is not projects but money to get them out of deficit, cover expenditures, and invest.

The BC is reluctant, arguing that bringing money into the country causes inflation. The governors are striving to convince the Federal Government of the opposite and even waiving any and all guarantees by the Union. The states would put up their own assets to guarantee the loans. And as Antonio Britto points out, they are doing so not out of a sudden burst of kindness, but because they all know that the Treasury hasn't got a penny to its name.

Another action front uniting the governors is the establishment of a single timetable for state payments. The 13th month of pay, for example. The objective here is crystal clear. The difficulties will appear all at once, there will be more pressure, and it will be clear to the public that the fault lies not with a deadbeat governor but with an institution called the state that has completely exhausted its ability to follow the rules in effect.

In the final analysis, the governors feel that the time has come to apprise the nation of the serious crisis into which the federation has been sinking. And in that crisis there is no PMDB [Brazilian Democratic Movement Party], PT [Workers Party], PSDB [Brazilian Social Democracy Party], or PFL [Liberal Front Party]. The atmosphere is truly one of all for one and one for all, with everyone united in a big alliance of governors impelled by an empty cashbox on the one hand, the pressure from the state machinery on the other, and the ropes of legislation that are pulling everyone to the bottom of the well.

One scene illustrates the situation: on Wednesday the PMDB governors visited the office of Cristovam Buarque, the PT governor who administers Brasilia, to discuss the matter. They were driven from the room by the blare of loudspeakers from the CUT [Sole Workers Center], which was demonstrating against Cristovam from the outside. Antonio Britto immediately summed up the opera:

"Really, we all look the same in the dark."

Chile

Chile: 'Unrestricted Defense' of Paraguay Democracy Upheld

PY2604002396 Madrid EFE in Spanish 2102 GMT 25 Apr 96

[FBIS Translated Text] Santiago de Chile, 25 Apr (EFE) — Chilean Foreign Ministry Under Secretary Mariano Fernandez today stated that "democracy is being preserved" in Paraguay, and that the constitutional order has not yet been disrupted.

He said that the Chilean Government's position on the Paraguayan conflict "is that of an unrestricted defense of the democratic system and the struggle for freedom."

"Therefore, we are voicing our solidarity with the constitutional and democratic order in Paraguay, with President Wasmosy, and with the established order. We hope that the path to be followed in the next few hours will be satisfactory for all."

He added that the OAS mechanisms of consultation and agreement have worked properly during this conflict.

Chile: PDC 'Freezes' Ties With PS Over CUT Election

PY2504160796 Santiago EL MERCURIO in Spanish 21 Apr 96 p A1

[FBIS Translated Excerpt] The crisis affecting the CPPD [Coalition of Parties for Democracy] as a result

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of the election victory of Socialist Party [PS] member Roberto Alarcon as United Labor Confederation [CUT] president — Alarcon was elected with the votes of communist delegates — and which resulted in the marginalization of Maria Rozas, candidate for the PDC [Christian Democratic Party], worsened yesterday when PDC leaders and legislators stated that to amend ties with the PS, it is necessary to revert the CUT election process.

The PDC specifically proposed that the PS should uphold the agreement establishing that PS-PDC representatives should hold alternate turns as CUT president, which is tantamount to Roberto Alarcon's resignation.

Speaking on behalf of PDC legislators, Senator Carmen Frei said: "If the position is not reversed, we will have in our hands a very difficult situation with the grassroots."

The CUT situation and the CPPD crisis was yesterday the main topic of political discussion both within the PDC and the PS. Moreover, the Communists celebrated the fact that one of its representatives, Manuel Ahumada, was elected CUT vice president. They also stressed that the country is witnessing the union of Chilean leftist grassroots representatives.

The situation that impelled the PDC to "freeze" its ties with the PS started during the CUT congress on 13 April, when the PDC and the PRSD [Radical Socialist Democratic Party] elected 16 of the 45 councilmen to the national board of the CUT, which represents 425,000 workers. To achieve the election of its candidate, Maria Rozas, to the CUT presidency, the PDC started negotiations with its PS allies who, headed by Arturo Martinez, obtained 14 representatives.

Martinez, who had already been admonished by his party for having included in the PS list a UDI [Independent Democratic Union] candidate, fulfilled his promise of never voting for Maria Rozas and on 19 April, after almost one week of negotiations, was able to block an agreement that would allow Maria Rozas and PS candidate Roberto Alarcon to hold alternate turns as CUT president. Instead, PS members chose to receive the support of the 13 communist councilmen in exchange for promising to reform the CUT statutes and to call elections within two years.

On 19 April, the PDC leadership was indignant and announced a freeze in its ties with the PS until its national council adopted a definitive decision tomorrow. Nevertheless, yesterday the annoyance within the PDC was even greater than the previous day. This was reported by Roberto Leon, on behalf of PDC deputies, and Carmen Frei on behalf of PDC senators. They proposed that the prerequisite for the resumption of PDC-PS ties and the unity of the CPPD is the resignation of PS members from the CUT leadership. [passage omitted]

Chile: Velasco on Criticism of Antinarcotics Efforts

PY2504160596 Santiago EL MERCURIO in Spanish 19 Apr 96 p C5

[FBIS Translated Text] At the United Nations yesterday, Interior Ministry Under Secretary Belisario Velasco criticized the position of some developed nations which, in making judgments about the drug trafficking situation in the world, make "accusations or judgments" which turn out to be weak and unfounded.

He said that with this frame of mind one runs the risk of weakening the action of several institutions instead of correcting the deficiencies they are denouncing.

Velasco yesterday participated in the third day of sessions of the UN Narcotics Commission held in Vienna, the objective of which is to reach an agreement on a world plan to fight drug trafficking.

In February the U.S. State Department issued a report addressed to the U.S. Congress stating that Chile has become a money-laundering center. The document also includes a number of criticisms of the Chilean legal system for being limited and not fully effective in some respects. It adds, however, that our country has become a hemispheric leader in fighting drug trafficking.

The report has caused controversy in Chile because State Department adviser Ana Maria Salazar admitted two weeks ago that Chile was not congratulated sufficiently for the work that has been done.

She added that the document was prepared based on information submitted by the FBI and the DEA, among other agencies. Robert Gelbard, assistant secretary of state for international narcotics matters, told Velasco in Vienna that the report included hasty statements which have been refuted.

Belisario Velasco, who is participating in the ninth series of sessions of the UN Narcotics Commission, yesterday explained the Chilean situation to the delegates, stressing the progress that has been achieved in different areas since 1990.

He referred to the issuance of a modern law that punishes drug trafficking as well as the issuance of prevention and recovery plans to which the government and the civilian society are committed. He said such efforts will be useless if there is no cooperation from nations considered to be producers or consumers. He thus criticized the fact that some important institutions are making judgments which can be weak or unfounded.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

He said: "Useless will be the efforts made by my country and by many other countries committed to reaching their development if the countries which produce drugs, which trade in but do not face the problem of deviated precursors and essential chemical products, or which tolerate money laundering and do not focus on the need to prevent these illegal actions, keep criticizing one another or refuting judgments and criticisms by some concerning the others."

Velasco added that, likewise, in those countries with the highest levels of illegal demand and consumption of drugs, there are strong interests that have even reached the point of financing drug plantations in producing countries, initiating in this manner another cycle in the illegal activity.

He added: "As we all know, the most developed nations of our planet, and for this reason, those with greater capacity and influence, should abstain, like some institutions, from making judgments and accusations which, after a thorough analysis later, end up being weak and unfounded." He added that with it they run the risk of reversing their objective and of weakening institutions more than correcting the deficiencies they plan to correct. Finally, he asked all delegates to urgently promote a greater awareness and a political commitment from all nations. "Otherwise, criticisms, evaluations, or justifications lead us to keep recognizing the incapacity of today's world to face and solve one of the most devastating phenomena that threatens mankind on the eve of the 20th century," he said.

Velasco then went on to say that Robert Gelbard, U.S. assistant secretary of state, has admitted that the report issued included hasty remarks which weakened the significant impact desired by that organization.

Velasco held a meeting with Gelbard during the UN Commission sessions in which Gelbard said that the U.S. Administration recognizes Chile as a country that fights money laundering, drug trafficking, and the unlawful consumption of drugs in an opportune, serious, and responsible manner.

Gelbard volunteered to talk to the Chilean media to explain the meaning of the February report.

Velasco and Pablo Lagos, lawyer for Conace [expansion unknown], also held a meeting with Oskar Schroder, president of the International Board for Narcotics Control, who expressed his satisfaction with the measures adopted in Chile in fighting this scourge. Schroder said that the law issued in Chile in 1995 will be studied so as to consider its implementation in other nations.

Chile: Negotiations for Accord With EU Enter Final Stage

PY2504135196 Santiago EL MERCURIO in Spanish 20 Apr 96 p C3

[FBIS Translated Excerpt] The Chile-EU negotiations have entered their final stage after EU-Chileans negotiators yesterday were able to make great progress on what would be the new cooperation framework agreement for the establishment of a future political and economic association between Chile and the EU.

One of the important decisions made yesterday is that the so-called bridge clause [clausula pasarela] will not be included in the text of the bilateral agreement, but in the declaration to be annexed to the Chilean-EU agreement.

Juan Prat, EU director general for Latin America said: "We completely agree that the so-called bridge clauses should be established. This will enable us to combine joint work mechanisms with Chile and other countries and with other groups of countries in the region. In compliance with a decision made on 19 April, it has been agreed that this will be done through a joint declaration. We believe this will be the best way to express our willingness to merge the agreement achieved with Chile with other future agreements, particularly regarding joint work mechanisms."

[Foreign Ministry Under Secretary] Fernandez explained that some basic principles have been established regarding bridge-clauses: First, that it is very useful to agree on means to promote integration among different regions; Second, that it must be done in such a way as to help improve things not block them; and third, that when agreements are signed, third parties cannot be included in the treaty regulations because they must be consulted through different mechanisms.

Fernandez said: "The idea mentioned by Juan Prat is important, that is, to try to resort to existing mechanisms, enhance them, and avoid duplicating efforts to achieve joint Latin American-European undertakings."

Prat stressed that this bilateral agreement is the only one of its kind at the international level. He said that Europe sees Latin America as a unity but with its diversities, that is, as a reflection of Europe itself. He added that the idea is to work together and to overlook the different realities in Latin America.

He stated that this is not the case in other regions of the world because it is unique to Latin America and to EU-Latin American ties.

Regarding political dialogue, Prat explained that there are no problems in holding a joint dialogue with Merco-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

sur [Common Market of the South] because although in principle there are two different instances — EU-Chile and EU-Mercosur — there are no disagreements or difficulties impairing a joint discussion of issues in view of "the perfect unison of criteria and views." [passage omitted]

Colombia

Colombia: Government Communique Rejects Strikes

PA2604030096 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 25 Apr 96

[Report by Luis Eduardo Maldonado from Narino Palace in Santa Fe de Bogota; from the "Latest News" newscast]

[FBIS Translated Text] We have important news. The national government has just stated its position regarding the strikes decreed in Huila and Caqueta Departments. State intelligence agencies have stated their anger over this incident, saying the strike is sponsored by government officials, even by Senate Vice President Jose Antonio Gomez Hermidas.

Given the situation and given the strike, the president met with the interior, finance, and agriculture ministers a few minutes ago; and they have issued the following communique:

1. The government has clearly notified the strike's organizers that it is not willing to negotiate under any form of pressure, or with those who resort to unauthorized actions.

2. Upon request from congressmen from those regions, the government is studying the possibility of determining a legal and financial mechanism which allows it to lessen the burden of the debt owed by small agricultural producers who are affected by the situation of crisis in certain zones of the country.

3. The national government has confirmed that, behind this civic protest, there are people interested in turning it into a reason to disrupt public order. Consequently, it is issuing the necessary instructions to guarantee, as soon as possible, the reinstatement of normalcy in those regions.

4. The national government categorically issues an appeal to the promoters of this protest, urging them to call off their plans and to use the channels offered by the laws to put forward their demands.

[Signed] Narino Palace, 25 April 1996.

Colombia: Senate Approves Internal Disturbance Extension

PA2504144696 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 25 Apr 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] The Senate has approved the 90-day extension of the state of internal disturbance that President Ernesto Samper's government had requested to handle the terrorist wave unleashed by the Guerrilla Coordinating Board. Congress accepted the ad hoc subcommission's report after studying the executive's request, which seeks to neutralize and deal with the subversives' attacks, kidnappings, and drug trafficking. Failure to approve the second extension of the state of internal disturbance could lead to stopping the application of definitely beneficial standards in the exceptional situation that prevails in the country, the Senate report points out.

Colombia: Antioquia Official Views 'Public Order Zones'

PA2404043296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 19 Apr 96

[Report by Diego Cortes from "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Medellin — Acting Antioquia Governor Pedro Juan Moreno Villa has expressed satisfaction over the special public order zones the government has announced to counteract subversive actions in the country:

[Begin Moreno Villa recording] I believe it is very significant that the government has made the right decision to fight the difficult situation in the country. [Words indistinct] has given special powers to regional government officials to confront the current situation.

At present, we have not heard the minister's remarks; we are waiting to hear and analyze them. We will make the best use of them, always thinking first of the community, which has to suffer through the difficult situation regarding public order, a public order disrupted by a group of insurgents. These are rebels who, lacking ideas and solutions for the people, have been intimidating and blackmailing them, putting an end to their honest work, and destroying their property. [end recording]

These new zones are aimed at unifying the control over operations against guerrilla groups.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Colombia: Search Bloc Conducts 40 Raids in Valle del Cauca

PA2604013696 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 25 Apr 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] Cali — The Police Search Bloc conducted over 40 raids last night in Valle del Cauca during the first phase of the (?Symbiosis Operation) undertaken against the Cali Cartel. During the operations by authorities, three landing strips were destroyed, and nine firearms, 121 cellular telephones, and 77 beepers, 14 telephone radios, 53 vehicles, and documents on the business activities of the alleged front men of drug traffickers were seized. During the Search Bloc operations, conducted mainly in Cartago, no arrests were made.

Colombia: Editorial Sees Duty of Citizenry To Lift 'Seige'

PA2404042096 Santa Fe de Bogota EL ESPECTADOR in Spanish 21 Apr 96 p A2

[Unattributed editorial]

[FBIS Translated Text] No. The state of internal disturbance proclaimed by our Constitution is not the one that has been imposed upon Colombians.

All along the length and breadth of our territory, we are besieged by a true state of siege, a state of internal war.

We cannot continue lying to ourselves in this regard or trying to turn our back on reality, nor can the government continue looking the other way, proposing delays to an extreme situation that cannot be postponed another minute without running the risk of seeing the country definitely collapse.

We are losing the war against the rebels. All four sides of the territory are raging under the threat and siege of terror: the armed attacks, the occupation of a large part of the country, the assassination of innocent people, and the apathy, collaboration, or disloyal silence of the frightened authorities.

If we thoroughly examine the current situation, we can say, without any fear of making a mistake, that the armed rebels, who have become common criminals, are already winning, at least, the psychological war, because most Colombians are pointing an accusing finger at the government's weakness and do not trust its actions.

If this is the situation in the conflict area and if this is the reality, the same can be said about the deplorable, political situation we are experiencing. We have no leadership to guide us, no parties that righteously deserve to be called leaders, no moral authority to lead the country, and as a result, we are deprived of the possibility of finding a solution to our increasingly serious problems.

Concerning the economic outlook, we can already see the threat of the recession already foretold by the unemployment rate, the high interest rates, the indiscriminateness of the opening, the flight of capital due to the disruption of social order, and the distractive sophisms with which the managers of our public finances seek to conciliate the bankruptcy of the national, economic interests.

We are faced with an executive branch that does not act in keeping with the constitutional mandates, a legislative branch unable to legislate in light of the problems shaking the country, and a judicial branch that is immersed in internal skirmishes that are bringing about its discredit and a generalized mistrust and is involved in never ending procedural investigations in which the country's national and international prestige is seriously compromised.

These factors are all the hostile barbed wire that is keeping Colombia in a state of siege as a result of the inaction of the government powers. Our people are desperately demanding the rescue of abolished values and the state's active and decisive participation vis-a-vis the terror, demoralization, and not only the warlike siege by the rebels but the progress of the psychological war keeping the country on the verge of unconditional surrender to the enemies besieging it.

Now is the time to launch the great crusade of rescue and national liberation. Above all, our Armed Forces should assume the compulsory duty of unhesitatingly leading the struggle against the dehumanizing war into which the rebels have led us. This struggle must be waged to the bitter end. It is also necessary that all Colombians, regardless of origin, assume their role to defend the motherland, because, among other reasons, what is at stake is not only today's Colombia but tomorrow's Colombia.

It is the duty of all Colombians to lift the state of siege that has been imposed upon us.

Colombia: Commission Ends Samper Investigation

PA2504144496 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 25 Apr 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] Heyne Mogollon, Rodrigo Arcila, and Eliecer Meneses, the three members of the Accusations Commission investigating President Ernesto Samper, today agreed to close the investigation. The

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

lawyers must present any arguments that they may have within 10 days from today. Although the investigation is over, the legal proceedings continue. Samper, who is in Barranquilla, expressed his satisfaction with the investigators' decision.

Colombia: Liberal Party Leaders Consult VP on Crisis

PA2504202496 Santa Fe de Bogota Inravision Cadena 1 in Spanish 1730 GMT 25 Apr 96

[Report by correspondent Harold Arias; from the "National Newscast" monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1910 GMT on 25 April]

[FBIS Translated Text] Liberal Party leaders Emilio Lebolo and Fernando Jaramillo are meeting with Vice President and Ambassador Humberto de la Calle in Madrid. This is the first in a series of meetings to include meetings with former presidents in an effort to resolve the Colombian political crisis. The meeting between Liberal Party President Lebolo, Vice President Jaramillo, and De la Calle is about to conclude. Lebolo and Jaramillo arrived at Barajas Airport from Santa Fe de Bogota this morning. Lebolo spoke a few minutes before arriving at the meeting:

[Begin Lebolo recording] As official Liberal Party spokesmen and valid interlocutors, we have come here to hold some contacts and consult former presidents. [end recording]

Important conclusions are expected to be reached at this meeting regarding the Colombian situation.

Colombia: Liberal Party 'Mutiny' Predicted for Election

PA2304043396 Santa Fe de Bogota SEMANA in Spanish 16-23 Apr 96 p 35

[FBIS Translated Text] Things had been getting hot prior to the Holy Week. The statements made by President Ernesto Samper's lawyer, Luis Guillermo Nieto, that the Liberal Party had to be responsible for the likely violation of the spending limits of Samper's presidential campaign had made the members of the Liberal National Directorate [DNL] have a bad temper on Thursday, 21 March. The annoyance, however, had been put on hold by the Holy Week holidays, while, by instructions of the outgoing DNL president, former Foreign Relations Minister Luis Fernando Jaramillo, party's advisers were legally investigating the issue.

With the arrival of Easter, the issue was revived. Told by his advisers that the party is not legally responsible for the spending limits, because its treasury and that of the campaign acted separately, Jaramillo affirmed that Nieto had made those statements *"out of ignorance. I emphatically deny the statements made by lawyer Nieto, who is a belligerent member of the Conservative Party."* Jaramillo stated this in a communique prior to affirming, in a harsh reference that many interpreted as an attack on the president, that **"the party's greatness has always been above its accidental leaders."**

On Thursday at 0900 hours, when the DNL weekly meeting started, things were hot enough. The board had a new president, former Barranquilla congressman Emilio Lebolo. Jaramillo briefed its colleagues on the legal advisers' conclusions on the spending limit issue, and, in a few minutes, it was clear that his annoyance showed the widespread feelings of the Liberal Party leadership. Soon thereafter, there was a consensus regarding a statement supporting his communique.

However, contrary to the communique, the new statement was not going to limit itself to the problem with the spending limit. Complaints started piling up: they agreed that the government was neglecting its main program — the Social Leap. Someone criticized — and was backed up — Interior Minister Horacio Serpa for forwarding bills on reforms to the party system to Congress without consulting with the Liberal Party. Several people voiced their nonconformity regarding the fact that support from the so-called Conservative "peanuts" was becoming very expensive for the government, especially for the Liberal Party members. **"In order to please a peanut, we have to bother two Liberals,"** one of the directors said. Everybody agreed that the economy is in shambles and that Samper lacks the government instruments to mend the situation. Finally, the harshest criticism was on the anticipated elections, which were considered "a suicide" for the Liberals, whom due to Case 8,000, are currently undergoing one of the worst crisis in their history. Once the points of the statements were clear, the directors agreed to add one more, which, regardless of how obvious it was, did not hide a certain antigovernment sentiment: the DNL asked the Chamber to vote with its conscience when it is time to analyze the charges against Samper.

That night, the QAP newscast broke the news. The DNL was preparing a seven-point statement. The next day, the daily EL TIEMPO ran a front-page headline on the most serious message by the DNL: the rejection to the presidential proposal of anticipated elections. Ines Gomez de Vargas, a DNL member, summed up the position against anticipated elections in an timely phrase: **"In times of crisis, we cannot go about making things up."** The president's formula to resolve the crisis suddenly lost an ally, which represents the congressional majority that must approve the initiative.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

All this does not mean that Liberal congressmen have formed blocs against Samper. Without a doubt, in the next few days, many people will question what the DNL did. Even so and despite the president's Friday night conciliatory statements, the truth is that there are threats of a mutiny on board the Liberal Party's ship.

Colombia: Serrano Warns Mexico on Cali Drug Involvement

PA2604033896 Mexico City Radio Red Network in Spanish 2300 GMT 23 Apr 96

[From the "The Night Monitor" newscast]

[FBIS Translated Text] The 14th international conference on drug control began today in Mexico. Attending the conference are delegates and observers from all the countries of the world. One of the most important countries regarding the war on drug is Colombia and its most prominent figure is National Police Director Rosso Jose Serrano. As the DEA Administrator Thomas Constantine did, the participants hosted a news conference and talked to reporters regarding the situation of the world's drug kingpins. Edgar Munoz has the details.

[Munoz] Good afternoon, Rosso Jose Serrano, for those who do not know, received a plaque from DEA Administrator Constantine in recognition for the capture of the six main leaders of the Cali cartel. Let us remember the Rodriguez Orejuela brothers. General Rosso Jose Serrano felt secrecy led to and contributed to the total dismantling of the Cali cartel. Serrano, considered one of the world's best policemen, made that statement. Commenting further on the police purge, he reported that over 7,200 policemen were dismissed last year not just because of their ties to drug trafficking but also because of their tolerance for this illicit activity.

The Colombian chief of police also noted that Mexico must be very careful because after the fall of the Cali cartel Mexico may take the lead in drug trafficking.

[Begin Serrano recording] I think this is total. I will sincerely and honestly tell you, the Cali cartel's right arm was here. They smuggle very little amounts of drugs through the islands, Vancouver, or Toronto. In my opinion, the strong point of the Cali cartel consisted of getting here and smuggling the drug through this country. I have said this because I am knowledgeable of the facts and based on the follow-ups and what we have learned after these people were taken to prison. I think that I am not saying this to offend anyone; but on the contrary, because later on it will be too late if we do not attack drug trafficking here. [end recording]

It is no secret that tons of cocaine and marijuana came in through Tijuana and Ciudad Juarez. Let us keep in mind, that yesterday Constantine said that the Mexican drug cartels are turning into organizations as powerful as those that created the Colombian mafias, with Pablo Escobar and the Rodriguez Orejuela brothers. Returning to Gen. Serrano, there is no doubt that he is an important figure, as you noted. He proposed to the 84 countries participating in the 14th conference the creation of an international search bloc. This may sound new to us, but we must recall that the Colombian Search Bloc killed Pablo Escobar two years ago and dismantled the Cali cartel. He also proposed a computerized police network through Internet.

We think this is something new and interesting. According to the Colombian general, the idea is to have a permanent and open registry on the background, profile, and location of different personalities who may be influential with the drug trafficking bosses or front men. To conclude, Gen. Serrano said the style of operation of U.S. drug traffickers is very different from that of their Latin American counterparts. The latter's scale of business and profits are smaller because it is not to their advantage to be detected by the U.S. police. This are the views Gen. Serrano expressed today.

Colombia: Effects of Military Budget Deficit Viewed

PA2304032896 Santa Fe de Bogota SEMANA in Spanish 16-23 Apr 96 p 28

[Unattributed report: "A War Without Any Money?"]

[FBIS Translated Text] The budget requested by the military forces for 1995 was 1.8850 trillion pesos and the initial appropriation only covered 43.2 percent of said request. For this year's budget, adjustments, additions, and cutbacks were made totaling 18.6 billion pesos. The Army was the hardest hit of all armed corps, showing an 88.384-billion pesos deficit in general expenses. This is the appropriation that most directly affects military operations. Last year the military did not have funds to purchase 200 7.62-mm submachine guns, 144 mortars, 3.6 million cartridges, and 44,000 grenades.

For 1996 things looked worse. The government had announced budget cuts in several state agencies. However, everything seems to indicate that the cutback for military forces will not be very large, although this does not mean that the military will have all the resources they will need. For this year the military forces submitted a 954-billion pesos budget proposal. Nevertheless, the Ministry of Defense, tightening the belt as mandated by the Ministry of Finance, cut said budget request by 33.8 percent.

In any case, this reduction will affect the operation of the military forces because the General Command will

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

practically have the same resources that were assigned for 1995, but with the aggravating circumstance that this year it will have new operating units, such as the Eastern Unified Command and the National Antikidnapping Council.

These units were activated last year and no budget was assigned to them for their operation.

The budget constraints endanger, in the case of the Army, the purchase of materials and the supply of fuels for the operation of Army vehicles. The situation may become critical if one considers the increase in prices and the gasoline surcharge that exists in some municipalities. "The lack of resources last year was one of the factors that prevented the purchase of vehicles for the mobilization of troops in combat areas and, without a doubt, this also affected the struggle against guerrillas," a high-ranking Army officer told SEMANA.

The military forces' lack of resources and the increase in guerrilla actions in the country led the government to reconsider the initial proposal to make a sizable cutback to the armed corps budget. Consequently, in recent days the very President Samper and the minister of defense okayed the allocation of new resources for the purchase of several helicopters to continue the antiguerrilla struggle. A bilateral agreement with the Russian Government also established the purchase of rifles, machine guns, and heavy transportation equipment for the mobilization of cargo and troops. Nevertheless, everything seems to indicate that the purchase of the aircraft and the weapons may still take several months.

To the lack of economic resources may be added soon the measures the United States may adopt following the decertification of the Government of Colombia. Although the U.S. State Department and Ambassador Myles Frechette have stated that the measures will not affect cooperation and assistance in the struggle against drug trafficking, the mess of the entire political crisis has not begun to untangle and no one can guarantee that military aid will not be adversely affected in the future. Thus, the future might be much more somber than it is now.

Colombia: Samper on Development Plan Achievements

96SM0260A Santa Fe de Bogota EL TIEMPO in Spanish 23 Apr 96

[Received via Internet]

[FBIS Translated Text] The president claimed that the goals were met 90 percent last year, and proposed a "gentlemen's agreement" for moving the country forward. Juan Camilo Restrepo maintains that the important thing is not to conceal the reality from ourselves. Yesterday, President Ernesto Samper Pizano declared that his administration has continued to govern, and will continue to do so. He asserted that the Social Leap will not be dismantled, because this is a project that belongs to all Colombians.

"We shall not surrender either the teeth or the claws of the Social Leap," he stated, in response to the criticism from certain sectors, while making an evaluation of the Development Plan results during 1995. The head of state claimed that the plan was fulfilled nearly 90 percent last year, and that the main objectives in the areas of housing, health, and education, among others, had been carried out successfully.

Hence, he issued a call for implementing a great pact to move the country forward, similar to the gentlemen's agreement reached with the economic associations. He also stressed that Colombians cannot become the worst enemies of development: "We have difficulties that we are surmounting within the law and the Constitution, and we cannot go any further. While the pertinent decisions are being made, we must provide space to enable this country to continue progressing."

Despite the questions, the government emphasized that it will forge ahead with its government program, the basic objectives of which include benefits for nearly 12 million poor Colombians. For this purpose, it expects to execute funds spend 38 trillion pesos for social investments during the four-year period.

It also announced that, next week, it will launch a plan to reactivate the Colombian economy which, according to the director of the National Department of Planning, Jose Antonio Ocampo, calls for increased investment in infrastructure and an impetus to the employment plans.

Goals and Programs

Speaking at the Gonzalo Jimenez de Quesada Convention Center, Samper presented the main projects executed thus far in his administration.

In the education sector, 174,000 slots were created, and 430,000 textbooks were delivered: figures which, according to the government, exceed the targets set.

In subsidized housing, subsidies were granted for over 105,000 families. Although the success of this program has been questioned, the administration expects to attain the goal of over 500,000 units of subsidized housing between now and 1998.

In the health sector, the president underscored the growth of the subsidized system, with which 6.3 million

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Colombians have become affiliated. The target at the conclusion of the government is to achieve coverage for 12 million beneficiaries.

He emphasized the nutritional supplement programs provided to a million children of low income families, as well as the one for indigent aged persons (Back to Life). Last year, the latter program acquired 75,000 beneficiaries in 680 municipalities.

As for infrastructure, the head of state reported that, during 1995, 1,000 km of roads were built, and over $100 million was invested in rehabilitating the railway system.

And What About Employment?

In employment, another one of the programs criticized by business associations and economic analysts, Samper admitted that the increase in unemployment reported by the DANE [National Administrative Department of Statistics], namely, 10.4 percent, is not due to the slowdown in the economy alone, but also to the fact that there are more persons seeking work.

Among the factors that have influenced it are the decline in the construction cycle, the crisis in the coffee sector, and contraband.

Gilding the Lily

Despite this favorable assessment presented by the government, Senator Juan Camilo Restrepo, one of the harshest critics of the Social Leap, claimed that the chief executive is "gilding the lily."

The congressman asserted that the goals have not been met in the areas of employment and infrastructure: two of the current administration's priority programs: "I insist that, if the government continues ahead with this program, this will be the time of the people, but of the unemployed people." He indicated that it will be very difficult to attain the goal of generating 1.6 million jobs. During 1995, only 200,000 jobs were generated, whereas 400,000 needed to be created.

Restrepo specified that the programs in which the goals have been met are in the education and health sectors, where the bureaucratic input is large.

As for the gentlemen's agreement proposed by Samper, he claimed that what is essential is that there be no attempt to conceal the reality from ourselves.

Ecuador

Ecuador: MOMEP Says Calm Prevails on Border With Peru

PY2604041796 Madrid EFE in Spanish 2356 GMT 25 Apr 96

[FBIS Translated Text] Quito, 25 Apr (EFE) — At the end of a two-day meeting in Quito, the Consultative Committee of the Ecuador- Peru Military Observers' Mission (MOMEP) reported today that the demilitarized zone on the border between Ecuador and Peru is completely calm.

In a communique which makes no reference to the denunciations on supposed incursions of troops in the demilitarized zone between Ecuador and Peru, the MOMEP said that "since October of last year there has been no confrontation whatsoever, and there is absolute calm in the area."

At the meeting which began on Wednesday, it was agreed that the next meeting of the consultative committee will be held in Lima on 13 and 14 May.

The participants also analyzed "the opinions" of the liaison officers between Ecuador and Peru, Generals Cesar Duran and Daniel Mora, respectively, on "the procedures" to be followed for the "achievement of the military objectives of each country," the communique adds, not referring to the complaints and concrete denunciations of each country.

The Ecuadoran liaison officer reported that he urged the MOMEP to ask Peru to conclude the troop demobilization in accordance with what was specified in the Itamaraty Peace Declaration signed on 17 February 1995, after the undeclared war Peru and Ecuador waged at the beginning of 1995.

Last weekend, Ecuadoran Army Chief General Paco Moncayo reported that the presence of Peruvian soldiers has been detected at border markers 13 and 14 of the southern border, and for this reason he made a call to the observers to verify the situation.

The Peruvian liaison officer also said that the demobilization process has been fulfilled as established and that "nothing is happening, and no new detachment has been created" at border markers 13 and 14.

According to remarks made by the Peruvian general published by the daily EXPRESO, Ecuador wants the MOMEP to expand the zone of control, but Peru does not accept this because that type of decision concerns the political and not the military area.

The MOMEP's consultative committee also stressed the importance for the peace process of the meeting between

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the jungle division chiefs of Ecuador and Peru, who met over the past weekend in the Peruvian locality of Bagua, and added that next Monday they will meet in the Ecuadoran locality of Shell.

The meeting that began on Wednesday was chaired by the MOMEP coordinator, Brazilian General Francisco Roberto de Albuquerque, with the participation of Barry McCaffrey (U.S.), Raul Tapia (Chile), Mario Candido (Argentina), Daniel Mora (Peru), and Cesar Duran (Ecuador).

The MOMEP, which is comprised of military officers from Argentina, Brazil, Chile, and the United States, oversees the fulfillment of the peace agreements in the Ecuadoran-Peruvian border zone where the conflict took place between 26 January and 28 February 1995.

The MOMEP meeting in Quito was tarnished by accusations between Ecuador and Peru over the supposed purchase of weapons, and today Ecuadoran Defense Minister Alfonso Alarcon said that 12 Russian MIG- 29 aircraft will arrive in Peru in June. These planes reportedly represent the first shipment of a reported purchase of 44 aircraft by Peru.

The Peruvian representative to the MOMEP denied the purchase of those 44 fighter planes, and Peruvian ambassador to Ecuador Hugo Palma said that the report on the purchase of aircraft "is absolutely groundless."

Paraguay

Paraguay: Wasmosy 'Not To Appoint' Oviedo as Minister

PY2504163496 Lambare Paraguay Radio Cardinal in Spanish 1518 GMT 25 Apr 96

[Speech by President Juan Carlos Wasmosy from Government House — live]

[FBIS Translated Text] Fellow countrymen, the events all Paraguayans went through over the past few days were a tough test for us all because of our decision to live in freedom and democracy, seeking to consolidate the institutions we have created. Everyone acclaimed Christ when he entered Jerusalem, but then they vilified him. Today some Paraguayans do not value my attitude in favor of life and against the killing of so many innocent people. You may rest assured that history, with the passing of time, will value this attitude during critical moments on its way toward the consolidation of democracy.

Fortunately, we can say that we ended victoriously, thanks to our balanced and tolerant attitudes. As president of the Republic and commander in chief of the Armed Forces I was obliged to see that my decisions were fulfilled in order to preserve the principle of authority. But this solution, perhaps the best one for those dominated by passion, would have had an unwanted cost in blood and human lives, something we ruled out outright.

We then assumed commitments which — even if we could have assumed — did not answer to people's expectations, and permitted us to definitively avoid the risk of a senseless loss of the lives of innocent fellow countrymen.

The obligations we assumed during the most difficult hours created another dilemma, which we had to resolve stripped of all secondary feelings. The matter was: Should the president of the Republic keep his word, ignoring the voice of the people — particularly those youngsters who stayed up all night in the rain in defense of their ideals and concerns?

The conflict that we Paraguayans are just overcoming has a broad variety of tones that is impossible to cover with a simple or single answer. We must also ask ourselves if we can admit interferences in executive branch decisions, which is empowered by the Constitution to name and replace ministers under its single and exclusive responsibility.

Finally, the president of the Republic is merely a public servant to whom the people have entrusted functions that are expressly established in the Constitution and the laws. The people, in turn, can express themselves only through the channels established by the same Constitution and the laws.

The mandate the president receives can only be altered by the paths mentioned above. The president of the Republic also has the obligation to permanently listen to the voice of their constituency, the people, examine what it thinks, and analyze what it wishes. This is the most delicate task because you never hear a single voice. There are always disagreements, which is good and healthy.

As president of the Republic I had to face, fellow countrymen, this dilemma. I must confess that in this difficult crossroad there was a voice that never abandoned me, that insistently influenced my spirit: the voice of the people who elected me as president, and particularly the voice of those youngsters who expressed themselves without violence and without other interest than their belief that they were in this way defending democracy.

I decided to listen to this voice. It helped me overcome my own pride and to understand that beyond the commitment that I could have made there is a popular will; and that it is this will I must respect.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

This is why I have decided to sacrifice my personal commitment — with all the consequences this decision implies — and, assuming my responsibility as a statesman and a man elected by the people, I have decided not to appoint General Lino Cesar Oviedo as defense minister.

Fellow countrymen, remember the tribulations human beings must bear to improve and mature. The conflict has been definitively overcome. Let us go back to work for the greatness of the fatherland, with faith in our republican and democratic institutions and with trust in our national authorities. We can only consider a single winner: the Paraguayan people. Paraguay will change, Paraguay is changing, Paraguay has already changed. Viva the fatherland, and let us have peace among all Paraguayans.

Paraguay: Oviedo Addresses Supporters at Republic Square

PY2604022596 Lambare Paraguay Radio Cardinal in Spanish 1932 GMT 25 Apr 96

[Speech by General Lino Oviedo, retired, to his followers gathered at the Republic Square in Asuncion — live; passages in slantlines in Guarani]

[FBIS Translated Text] Your attention please. I beg you to listen to the message I have for you. From the bottom of my heart, and with the most absolute veracity, a soldier of the motherland is talking to you, a soldier who did not doubt, wink, or hesitate to place his life at risk, if it had been necessary, for this beautiful Paraguayan democracy. [applause]

I have been suffering 36 years, three months, and 24 days, because I could not use what I so much wanted to use. Now, constitutionally, legally, without ever having violated the Constitution, the laws, or much less the order of my superiors, now, today, on this unforgettable day of my life, I will use what will never be taken away from me again [applause; Oviedo ties a red Colorado Party kerchief around his neck]. [transmission interrupted due to problems]

...fellow partymen, dear fellow countrymen, and, as if it were not enough, since I was born in the countryside, I will never cease saying: dear peasants:

First point of this message. The most important thing is that as a soldier, Gen. Oviedo has not been, is not, and will never be a rebel. Fairness, ethics, and morality will always prevail. Not one second did I cease to obey the order of the president of the Republic as commander in chief when he ordered the day and time of my relief from the Army command which I turned over to assume the greater and most important command: that of the Colorado Party.

I have turned over the Army command with the decorum and dignity that is an attribute of the Armed Forces, with nobility, discipline, with a high military spirit, with firmness, and with an embrace between the outgoing and incoming commanders, as well as with the commander in chief, Engineer Juan Carlos Wasmosy. [booing]

[Unidentified supporter, interrupting] Excuse me, my General, in this glorious afternoon here at the Republic Square, your fellow partymen want to give you the most cherished award, the white star of the Colorado Party, on your shoulder, the fourth star, from your fellow partymen.

I want to tell you [shouts and cheers], I want to tell you that we will submit our actions to the judgment of history, of the people, of our conscience, and of our Maker. I want to tell you that I have accomplished my mission in a period of my life as a member of the glorious, victorious, immortal Paraguayan Army. [applause]

I will use the experience I have gained during 36 years and some months of military life for the good of our great and beloved Colorado Party. [applause]

In my military life I was taught to be fair, to be grateful, to be respectful, and to keep one's promises. [applause]

At no moment, at no time, have I, since leaving my post as Army commander, asked anything from my superiors. Eight authoritative envoys of the president of the Republic came to see me to offer me the post of defense minister. Listen carefully, I have not asked for it. I have witnesses to attest to this claim if the courts want to listen to them, and I have relevant documents if the courts would like to see them. [applause]

At this moment, the originals of those documents are outside the country. [cheers, applause, anti-Wasmosy chants]

Based on all this, I want to tell you very briefly, because this is not the time to plead being rebellious or not rebellious. My first judge is God, the second one is my conscience, and the third one will be the courts. If they ask me, I will be pleased to appear before them and we will score an even clearer victory than the one we are obtaining now. [applause, chants alluding to Oviedo becoming president]

This is the first part which the Paraguayan people, and particularly Colorado Party members, especially the members of the press [cheers], deserve to have explained to them: May God and the Colorado Party

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

also be aware of the fact that steps are being taken to bring me to trial on political grounds [booing], because I have defended the dignity of the Army, the Armed Forces, and my fellow members of the Armed Forces.

I have no money deposited in numbered accounts abroad. [applause] I do not know what a checkbook is. Today, after 36 years in the military service, I am moving to someone else's house. [applause, supporters shouting support for Oviedo]

Second, I want to take this occasion to convey a message to my comrades remaining on active duty: Thank you very much for so much loyalty and understanding. Thank you very much for your cooperation and great patience.

The proclamation we issued on 2-3 February [1989] is still in force. Keep fighting for dignifying the Armed Forces. Pay no heed to acts of injustice or ingrataitude, which are short-lived. Truth will ultimately prevail. [applause]

Dear colleagues of the Armed Forces, I will not be burdened with the responsibility for having caused bloodshed. With a smile, [haranguer interrupts to cheer] with a smile, transparency, decorum, I have handed over the Army command. If somebody could be held responsible for the moments of distress, which have been manipulated, the people are aware of this. I wish to God that the departure of Gen. Oviedo from the Army and as a cabinet minister will be instrumental in putting an end to anguish, poverty, and injustice, and in guaranteeing security. If this is so, I welcome it.

I feel immensely happy and joyful. Do you know why, my dear fellow countrymen, party members, and long-suffering peasants? Because I think that now, without the problems embodied by General Oviedo, it will be possible to put an end to poverty, ignorance, and poor health conditions. [cheers; Maka and Toba Indian leaders approach the platform and congratulate Oviedo in Maka dialect]

Let me also address you in my native language which I love most: Guarani. /I used to farm the land and grew up among thorny bushes, eating cassava, and plowing the farmlands with the help of axel-driven plows. Friends, I was not born on a house located on Mariscal Lopez [Asuncion's main avenue].

/An irreversible process known as democracy in which the people enjoy sovereign rights is under way in our country. [applause]

/At 1145 today I heard a speech by President Wasmosy vowing to fulfill the people's wishes. I endorse that, but I would urge him to state that we should fulfill the Colorado people's wishes. [applause]

/Today, friends, I was very happy because I had received orders to appear at 1100 at Government Palace. As a good soldier, I was there at 1055. But, what did actually happen there? [supporter shouts, also speaking in Guarani: You were betrayed, General!]

/Listen, do you know why I am even happier?/ [unidentified foreign reporter interrupts to ask Oviedo not to speak in Guarani because the foreign press is present] I have no problem speaking German or English. [preceding sentence in German]

Gentlemen of the press, you deserve it. [Begin passage in German] I can talk with you as well, but on some other occasion. Right now I am addressing my people, the Paraguayan people. [end passage in German]

Gentlemen, dear fellow party members and countrymen, why was I very happy this morning? Because there were people who did not want me to be sworn into the most difficult, most demanding cabinet post. Yet, what was the source of my great happiness? What happened there reminded me of what has been written in the founding act of our great National Republic Association, Colorado Party, which seeks to promote unity among all Colorado Party members, and the only ones who were in disagreement today with my appointment was a small group of National Encounter members. We cannot tell what kind of encounter they represent. [applause]

Today, on a historic day, we are meeting here once again. We are once again all united because I can tell you that there was no dissidence or controversy among Colorado Party members, for a true member of the Colorado Party was going to be a cabinet minister, a Colorado Party member whose great-grandfather's name, Alejo Oviedo, is on the document establishing the Colorado Party.

I ask you to verify that founding document, to verify whether, in 1946, when in political freedom, my great-grandfather, Casimiro Oviedo, and my father, Ernesto Oviedo, had already been presidents of Colorado Party precincts. My great pride — and great sin, for others — is that I am Colorado.

I cannot forget that once, when I still wore the olive green uniform, a young journalist asked me, as I was leaving Government House: General, are you Colorado? I answered him: Young man, above everything, let me ask you if you are Paraguayan. [cheers] He answered me that he was Paraguayan. I then told him: With all due respect, without meaning to offend you, you must be the only Paraguayan who does not know that I am Colorado.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Another journalist then told me: General, you can no longer be a Colorado. I answered him: Why not, my son? Because Congress has just approved a law that says military personnel can no longer be Colorados. I then told him: My Colorado Party leaning will not be taken away from me even with 10 constitutional articles. [cheers]

The Constitution and the laws did not allow me to carry out political and party activities while on active duty. No one will have a single photograph, at any moment of my life, of me engaged in political activities, not even dressed in civilian clothes, while I was still in the Armed Forces. I never violated the law by using the red Colorado kerchief or by holding political meetings in Colorado Party precincts, squares, or public places. But now, gentlemen.... [cheers]

I would like to ask all good Paraguayans, the entire Colorado people: Let us all, together, inspired by the same ideal, build the country we want. Use democracy; the Constitution provides that the people are entitled to petition the legitimately established authorities. Nobody will give us space; only by working and denouncing all irregularities will we win our own space. Let us demand the right men in the right places, which, first, means honest men. Second, men who work for the common well-being. Third, capable men, knowledgeable with regard to their jobs, and not men who obtained their jobs through political favors. I am speaking of little-known men who do not know our countryside, who have not seen a hut, a cow, a horse, a goat, a sheep, a pig, and a dog, and do not consider the peasants their equals.

Human rights should be for everyone equally. No one complains if the law is the same for everyone. Many people probably do not know the Indian huts. Many times the Indians wanted to me to visit them, to speak to them in their villages or huts. I tell you that from now on I /will go to your kitchen and drink mate with you. I will help you milk your cow. I will help you grind your corn. I do not have qualms mingling with the poor./ [Lino Oviedo supporter interrupts with impromptu speech in Guarani]

I want to send a very special message to those who must always help nurse this child that was born in the morning of 3 February 1989: Paraguay's democracy. [cheers: "hear, hear," applause]

You [reference to journalists] must relay everything you see truthfully. You must avoid speculation. Let us seek an objective: Just, constructive, suitable, and convincing unity. [applause] Your work is very important for the present and the future of our fatherland. Hate, feuds, and intrigues will do our democracy no good.

At the end of this message I will be available [as heard] to the members of the press and to all the friends who came here because we are living in a democracy. This is not just a meeting of fellow party memebers.... [applause] because when we organized carnival festivities at this place, we gathered 50,000 people. If we want to get all the members of the Colorado Party together, all one million of them, we will have to use the airport facilities. [cheers, applause]

You will witness the people expressing their sovereign will. This coming Sunday, spare no efforts to vote for what we love so dearly, and use so much, sometimes to the point of abuse: democracy. [applause]

Beloved Paraguayan youths, hopeful fellow countrymen, I am sure that you want, just as I wanted — having been born in a shack with a thatched roof, a dirt floor, and walls made of spliced palm tree trunks — to overcome the worst curse for a human being, namely, ignorance. [applause, cheers] You want training. You want a bountiful future. You want a system that will have an organization committed to youth affairs, a place where they can submit their complaints, ask for and receive support and guidance. What will our legacy be: To make them worse than we are? Real parents who love their children want them to be better than the parents. [cheers, applause]

These are the feelings that drive me. I want everyone, including the neediest, to have some space. Never before in the history of our fatherland did the indigenous people have a place to perform their arts. Last week we commemorated the week of the indigenous people, and for the first time they received humane treatment at this very same place. [applause, whistling]

They are our forefathers. We owe our land to them. They were the first owners of our land, and now they practically have no land at all. [applause]

Journalists, fellow country men, fellow party members, I have come here today to explain to you why I was sent into retirement and not appointed as defense minister and to tell you that I will continue working — and even if I have to give up my life, if necessary — for our tricolor flag and for the great and immortal Colorado Party. [applause] I have not come here to call a news conference. You will grow tired of listening to me. I feel strong. My morale is high.

Go anywhere in our country, the forest, the farmlands, the marshes, among the peasants, the poor, and the Indians, and you will find me. [cheers, whistling, applause]

We are tired of the demagoges. [cheers, applause] We are tired of promises. The people are going hungry.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[shouts: "true, true," applause] Our statistics show that 64 percent of our population want work, that 72 percent want security. The peasants who used to sleep in their hammocks under a tree are having their cattle stolen from them in the wee hours of the morning. [cheers, applause] [unidentified journalist interrupts: "General, please, just one question"]

Gentlemen of the press, I have told you before, fair is fair, and if I make no exceptions I will hear no complaints. I am a soldier who abides by his promises. I do not go back on what I say. I have said this earlier, and you must respect my position: I will not call a news conference. [shouts "very good," applause]

Beloved Paraguayan women, faithful companion of the Paraguayan man who has two loves: his music and his woman. You are the heirs of those women who died defending the fatherland. History records that Paraguayan women had the courage, the bravery, to stay by the sides of their husbands all the way from Paso de Patria to Cerro Cora [key locations in the Triple Alliance War]. [applause, cheers] They also had to summon their courage to bury their husbands and children on the battlefield. My wife will stand by me as I carry out my mission. [applause, whistling, chants, firecrackers]

Children of my fatherland, the pregnant women whom I have seen, and still see, delivering their children by the sides of highways, in the jungle, along jungle paths, without any help, think about this Christian, humane, patriotic, message: Let us defend our beloved Paraguay with love, by coming together, all of us, especially the members of the Colorado Party. [applause, cheers]

Ladies and gentlemen, I want to tell you something that I was taught abroad when I was training in Western Europe, more specifically, at the University of Berlin. I had this professor who used to tell us: Young students, build democracy in your countries so that the sovereign people can rule the fate of their fatherland.

Dear fellow countrymen, dear fellow party members, dear peasants, the worst threat to democracy is corruption. [chants: "true, true," applause] I shall mention no names, because corruption is extremely difficult to prove. [indistinct shouts] All I can do is quote from a book by the great thinker Sun Tzu: When rulers lose shame, they lose the respect of their subjects. [cheers, applause, whistling]

I will now recall the glorious, victorious, and immortal heroes of the Chaco War [against Bolivia]. I am the son of a war veteran. My 84-year-old father is probably watching me from his wheelchair. I will convey to you the words of my father and my late mother. Forgive me if I talk to you so heatedly, so passionately, from the bottom of my heart. This is a very special day in my life. [applause]

My father used to tell me in Guarani, but for the benefit of the press I will say it in Spanish: My son, never forget those who did not hesitate to die for our fatherland. The western part of our country, the Chaco region, half of our territory, the largest and most important reserve of our fatherland, is drenched with the blood of more than 30,000 Paraguayans who fought this war barefooted, wielding machetes, without military training or weapons. [applause, cheers, "the Chaco people are here," whistling]

There are also civilian martyrs among the veterans. Our indigenous people, our scouts, were the civilians who died as they walked ahead of our troops. [applause] Our first military martyr was Lieutenant Adolfo Rojas Silva. Thus, I recall the memory of all the war veterans, and of our victorious and immortal Marshal Jose Felix Estigarribia. [applause]

It is in memory of my father and our founding fathers that we have built this Park of the Republic in less than 60 days, making it a place for all kinds of honorable and decent activities. We have here the bust of Marshal Estigarribia to my right, and to my left the bust of Marshal Lopez. [applause] All the battles of both international wars have a monument here.

Let us also pay homage to those who have done more than any other professionals to make the fatherland known throughout the world: the musicians, one of whom is now long dead — Luis Alberto del Parana. [applause]

As the gentlemen of the press can tell us, Paraguay is known abroad only for its music, but one must start somewhere. The time will come when Paraguay will be known all around the world for its accomplishments. [applause, cheers "true, true"]

I will now convey to you my mother's message. Three hours before she died fully rational, after teaching for 56 years in rural areas, she said: My son, I ask you not to send me abroad to seek a cure. Save your money. Neither should you build for me a huge crypt like the millionaires have. Bury me under ground together with the cross that your father brought me from Tacuati, where he fought with the barefooted troops of the Colorado Party in the 1947.... [applause, cheers]

[Begin dialogue between unidentified Asuncion RPC Television Network and Radio Cardinal reporters, superimposed over Gen. Oviedo's speech] [RPC reporter] Thus we are ending our live coverage of Gen. Lino Cesar Oviedo, retired, from the Park of the Republic.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Radio Cardinal reporter] We will stay on.

[RPC reporter] Yes, of course.

[Radio Cardinal reporter] Yes, all this is very serious business.

[RPC reporter, laughtng] Yes.

[Radio Cardinal reporter] Yes, we will definitely continue our coverage. [end superimposed dialogue]

[Oviedo continues] ...to save Paraguay from the liberal-franquista-communist threat [the alliance of Liberal Party, Colonel Franco's followers, and communists who fought a civil war against the Colorado Party]. The money you save, my son, use it to help Paraguay overcome poverty and illness. You must preach against ignorance every chance you get, my son, because ignorance is the worst misfortune there is. [applause]

Because of their ignorance, many people are deceived, instigated, and made to say things they should not say, taking advantage of their economic needs.

Ladies and gentlemen, the Paraguayan people are awake now. The Paraguayan people have (?democracy), which means that they will demand their rights. /People can no longer be gagged. People can no longer be labeled as communists to throw them out of the country. Bullying is over; now we can talk, now we can express our opinions about what we see around us, now we can accuse the thieves./ [applause]

I would like to conclude this homage to the winners of the Chaco War by telling all my fellow countrymen to whom I owe my allegiance, and for whom I am prepared to fight day and night — /day and night, under the blazing sun, by the light of candles, like a firefly, my friends/ — that under the slogan one for all and all for one, united we will conquer poverty, ignorance, and illness. Thank you very much. See you later. [applause, cheers]

Paraguay: Argana Faction Denies Link With Pro-Oviedo Group

PY2604015596 Asuncion RPC Television Network in Spanish 2350 GMT 25 Apr 96

[FBIS Translated Text] The Colorado Reconciliation Movement led by Luis Maria Argana has rejected the possibility of forming an alliance with the Democratic Colorado Party faction led by Blas N. Riquelme [pro-Lino Oviedo faction] for the Colorado Party elections to be held on 28 April.

The Colorado Reconciliation Movement flatly denied reports claiming that this movement and the faction led by Riquelme had united in an alliance. The main leaders of Argana's faction contended that the insistent rumors that have been circulating through Asuncion over the last few hours are absolutely false. They said: We will run for the Colorado Party presidency in Sunday's elections on our own. The executive committee will then be elected on the basis of a proportional system.

Paraguay: Seifart Views Outcome of Institutional 'Crisis'

PY2604042196 Asuncion ULTIMA HORA in Spanish 25 Apr 96 pp 8, 9

"Exclusive" interview with Paraguayan Vice President Angel Roberto Seifart by reporters Jose Maria Costa and Oscar Ayala in Asuncion on the morning of 25 April

[FBIS Translated Excerpt] [ULTIMA HORA] How would you describe the current situation?

[Seifart] The crisis is over. The only pending issue was a minor question; namely, President [Juan Carlos] Wasmosy's decision to name or refrain from naming General [Lino Cesar] Oviedo, [retired], as defense minister. The head of state's final decision is already public knowledge — he listened to the clamor of the people and decided against Gen. Oviedo's appointment. Moreover, Gen. Oviedo is no longer Army commander; he has already been sent into retirement. We have gained a lot.

[ULTIMA HORA] What are, in your view, the prospects for the democratic process following this whole affair?

[Seifart] In my view, this was the missing link to complete the institutionalization of our country. I do not think that we will, as of now, ever have any problems with the Armed Forces. I consider that what happened is most important and positive, despite everything, despite everything [repeats himself]. Even if the head of state nominates Oviedo as minister — something which will have its cost — we gained a lot in terms of institutionalization with Oviedo's removal from the position of Army commander.

[ULTIMA HORA] Was the public exposed, at a given moment, to possible bloodshed? Was there a serious threat? If so, when?

[Seifart] That is right. The president of the Republic himself informed me that Gen. Oviedo had demanded his resignation, and mine too, so that the Senate president could assume power. This was conveyed to the head of state by some intermediaries.

[ULTIMA HORA] What would be the consequences if you refused to resign?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Seifart] He would mobilize his troops and tanks and seize power by force. This took place in the evening of 22 April, at around midnight.

[ULTIMA HORA] Why did Wasmosy decide to remove Oviedo from his position as Army commander?

[Seifart] Well, the president has never given a formal explanation, but I think that given this conjunction of events and circumstances, the president of the Republic had no alternative but to make a decision, which took a very long time, because this is the denouement of a long process. Things took a long time to come to a head. There were several crises between the chief executive and Gen. Oviedo. It was a process that took time to ripen.

[ULTIMA HORA] Why was the Cavalry Day chosen for this?

[Seifart] The truth is I do not know. Things have their own time. That was a decision made by the president. He must have his own reasons for that.

[ULTIMA HORA] The possibility that Oviedo would be nominated as minister sparked off the protest by citizens. The public believed that such possibility impaired our dignity and the institutional process....

[Seifart] Still, that was a secondary question. The central question had already been settled. Oviedo has handed over the Army command and he has been retired. His possible nomination was a minor question compared with the paramount importance of the central question, which was the handing over of the Army command and Oviedo's retirement. [passage omitted]

[ULTIMA HORA] What is your opinion of the action of diplomats, foreign ministers, and the U.S. Embassy?

[Seifart] They played an active part in the development and resolution of the crisis. The suggestion that a different alternative to the Army command should be offered so that Oviedo would hand over his command was precisely made by that group of ambassadors, including [U.S. Ambassador Robert] Service, the Argentine ambassador, the Brazilian ambassador, the Mexican ambassador, the Bolivian ambassador ... and, seemingly, it was they who suggested that the president should offer Oviedo another position. They had a very active participation in dissuading Oviedo from doing a foolish thing. You are well aware of the fact that the community of nations, through their representatives, gave ample support to the Wasmosy administration and announced very drastic measures to punish those who wanted to disrupt the institutional order.

[ULTIMA HORA] Did the possibility of such a nomination affect Paraguay and the incumbent administration's image?

[Seifart] Of course it did; there is no doubt whatsoever about that. As the president said, it was part of the agreement in order to find a peaceful solution to the conflict. One has to try to put oneself in the president's shoes, since he made that circumstantial concession to avoid imminent bloodshed, but then reconsidered his decision. The political implications that Oviedo's appointment as defense minister would have had for the president, his administration, the political process — had he done so — would have been nearly intolerable.

[ULTIMA HORA] Would such a decision have been tantamount to a renunciation of republican principles?

[Seifart] No, just a major incoherence.

[ULTIMA HORA] Had the president maintained his decision to name Oviedo as [defense] minister, what would you have done?

[Seifart] It is the president's prerogative to appoint the members of his cabinet. He had the unquestionably legitimate right to name Oviedo as minister. Nevertheless, I, as a citizen, politician, and member of a political party, would not have shared the head of state's decision. It would have been a most serious mistake. [passage omitted]

Paraguay: Brazilian Envoy on 'Serious' Nature of Crisis

PY2504180296 Rio de Janeiro O GLOBO in Portuguese 25 Apr 96 p 37

[Report by Monica Yanakiev]

[FBIS Translated Text] Asuncion — When President Juan Carlos Wasmosy warmly hugged smiling General Lino Oviedo on the morning of 24 April, Paraguayans thought it was the end of a crisis that had invaded the country for two days. The majority believe the president behaved in a cowardly fashion, because despite having the support of the international community, and despite the fact that he did not have to confront a single tank, he offered the Defense Ministry to the rebellious general, instead of punishing him.

Brazilian Ambassador to Asuncion Marcio de Oliveira Dias, who accompanied Wasmosy during the most serious moments of the crisis, said that the coup attempt was much more serious than the reported version. Because of a series of military parades scheduled for this month in Asuncion, all types of weapons had been stashed away at the barracks in which Oviedo entrenched himself on 22 April. The rebellious commander had everything he

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

needed to corner Wasmosy: heavy artillery and the support of 29 Army generals.

Oliveira on 24 April said: "Oviedo threatened to kill Wasmosy and his family, bomb the presidential residence, and attack targets in Asuncion. At one point, Wasmosy was willing to resign to avoid a bloodbath."

The crisis started at 0730 on 22 April, when Wasmosy summoned Oviedo to inform him that he would be removed from the post of Army commander. The general rebelled.

The ambassador added: "He has the support of the Army, and he did not want to step down because he has political aspirations. He assembled one of the best information systems within the Army, which could be very useful for his political plans. Oviedo wants to run in the presidential elections in 1998."

At 1600, Oviedo sent a message to Wasmosy through a friend of the president, Engineer Enzo Debernardi: He would not obey. Wasmosy replied that he would not reconsider his decision, but that he would not react if Oviedo decided to stage a coup.

The ambassador said: "He repeatedly told me that rather than having a bloodbath he would prefer to die. He knew Oviedo could make good on his threats. Oviedo had the support of all the generals, including Rodrigo Diaz Delmas, whom Wasmosy chose to replace Oviedo."

The Brazilian, Argentine, Uruguayan, and U.S. ambassadors tried to meet with Oviedo on the evening of 22 April to advise that a coup would only have negative consequences. Oviedo did not meet with the ambassadors, who then headed for Wasmosy's house.

The ambassador said: "At midnight on 22 April, Wasmosy left the official residence, which Oviedo had threatened to bomb if Wasmosy did not resign by 0200. Wasmosy was so concerned about avoiding a bloodbath that he sent home all residence guards and sought shelter in a secure place."

Dias and other Mercosur [Common Market of the South] ambassadors went to Wasmosy's shelter (perhaps the U.S. Embassy, located near the presidential residence) to convince him not to resign. The Brazilian ambassador also went to the barrack in an attempt to talk with the rebellious general. Oviedo did not meet with him and insisted that Wasmosy should resign by 0600 on 23 April.

He said: "At that moment we realized it was just a yarn. At 0800, Wasmosy calmly went to work at Government Palace. Oviedo, who underestimated international pressure, sent a new message: He would agree to an elegant solution to the crisis."

Paraguay: EU Communique on 'Weathering of Crisis' Noted

PY2604013596 Asuncion Radio Primero de Marzo in Spanish 2135 GMT 25 Apr 96

[FBIS Translated Text] [Anchorperson Stella Rufinelli] Italian Ambassador to Paraguay Antonio Cavaterra is calling us. He has a communique, which he wants to share with us. Good afternoon, Mr. Ambassador.

[Cavaterra] Good afternoon, I would like to read this communique issued by the Italian Embassy on behalf of our government in its capacity as head of the EU presidency. The ambassadors of EU member states represented in Asuncion and the representative of the European Commission extend congratulations on the weathering of the crisis confronting the Paraguayan nation. EU member states and the European Commission have, from the start, had absolute trust in the sense of responsibility and the support for the constitutional order by all Paraguayan political and representative forces. They want to specially underscore the significant role played by the president, the administration, Congress, political leaders and political parties, the youth, the press, and the military personnel involved to find a civilized and democratic solution to the crisis. To that effect, the EU wishes to continue to actively participate in the consolidation of democracy in Paraguay. It reiterates, moreover, that the furthering of a beneficial cooperation with Paraguay is based on the upholding of the principles of political pluralism, the nonuse of force, and obedience to the legally established civil power.

[Rufinelli] We thank you, Mr. Ambassador, for having telephoned us. It is a matter of great satisfaction for us that the EU has, through its presidency, conveyed this message to the public, which undoubtedly constitutes a support for our country after these three days we have experienced.

Peru

Peru: OAS Head Says Paraguayan Democracy 'Jeopardized'

PY2604013196 Madrid EFE in Spanish 2229 GMT 25 Apr 96

[FBIS Translated Text] Lima, 25 Apr (EFE) — OAS Secretary General Cesar Gaviria today said in Lima that democracy "undoubtedly has been jeopardized" in Paraguay.

Gaviria thus referred to the rebellious attitude of General Lino Cesar Oviedo, who initially, on Monday, rejected the decision of Paraguayan President Juan Carlos Wasmosy to remove him from the Army command and to take him out of active service.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Gaviria added: "Had a coup d'etat taken plance in Paraguay, this country would have been isolated by the rest of the OAS nations."

The OAS secretary general arrived in Lima today to participate on Friday in the closing ceremony of the First Specialized Inter-American Conference on terrorism, which began on 23 April under the sponsorship of the OAS.

Thanks to the immediate reaction of the international community in Paraguay, "a totally peaceful and fully satisfactory solution has, fortunately, been achieved," Gaviria said.

On Monday Oviedo refused to accept his removal from the Army command and confined himself with his troops to the Cavalry General Garrison, the most powerful branch of the Paraguayan Armed Forces.

Nevertheless, Oviedo went into retirement on Wednesday and today he concluded his military career as Wasmosy refused to name him minister of defense, an agreement that was reached to overcome the crisis.

Peru: Ecuador Accused of Not Registering Weapons Purchase

PY2604020996 Lima America Television Network in Spanish 0100 GMT 25 Apr 96

[FBIS Translated Text] Since 1992 the Ecuadoran Government has not fulfilled the need to register its weapons purchases at the United Nations. The meeting of the top Peruvian and Ecuadoran military commanders, which ended in Quito, will help in ensuring that in the future this matter will be considered at the technical- military meetings between Peru and Ecuador. This statement was made by General Thelmo Sandoval, president of the Ecuadoran working group.

Our special correspondent Jesus Quiroz will give us further details on this:

[Begin recording] [Quiroz] The meeting was held at the National Security Council building in Quito. The Peruvian delegation was headed by Division General Arturo Fernandez Andrade, and its members were Rear Admiral Jorge Brousset Barrios, Major General Carlos Modenesi, and Ambassador Pablo Portugal Rodriguez.

The Ecuadoran delegation was headed by Division General Thelmo Sandoval and was comprised of Rear Admiral Hector Ruilova, Brigadier General Ricardo Irigoyen, and Ambassador Teodoro Bustamante.

This meeting was held within a climate filled with reports by the Ecuadoran press following the remarks made by Ecuadoran Army Commander General Paco Moncayo, who had said that Peru had purchased 40 fighter planes. The Ecuadoran press also reported that these purchases were very transparent. It is clear, however, that according to the final agreement, the objective of this first meeting was the determination, scope, and agenda of this working group.

It is also true that, speaking of transparency, Ecuador has not registered its purchases of conventional weapons at the United Nations since 1992, something which Peru has done.

[Thelmo Sandoval] We have fully achieved the objectives we have outlined. The Quito agreement was specific, stating that what we had to do now was to establish the scope and the agenda of this working group. And I believe that we have achieved that objective. I also want to add that it was achieved within a climate of cordial relations. We have also achieved a common language on the these matters, which has allowed us to finally realize the fulfillment of that mission. [end recording]

Peru: Government To Liquidate Unprofitable State Firms

PY2504190896 Madrid EFE in Spanish 1733 GMT 21 Apr 96

[FBIS Translated Text] Lima, 21 Apr (EFE) — Peruvian Labor Minister Jorge Gonzalez today disclosed that the Peruvian Government is willing to liquidate about 50 public enterprises to stop further draining of the Peruvian economy unless the privatization process of these enterprises progresses.

Gonzalez, who is also president of the Commission for Promotion of Private Investments (Copri), heads the privatization process. He confirmed that this process, which was suspended some months ago, will receive new impetus within 45 days.

Over the past two decades the Peruvian Government has accumulated a deficit of some $1.6 billion as a result of debts accumulated by some 150 public enterprises, which is why it is determined to get rid of them.

Since the privatization program was implemented, in late 1992, some 100 enterprises have been sold or awarded for exploitation to the private sector. This represents an income of more than $5 billion to the Peruvian Treasury.

The minister said it is hard to say now how many enterprises will be liquidated in the short term, but hinted that one of the first may be the Peruvian Reinsurance Company due to the failure to privatize it on previous occasions.

He voiced hope, however, that it will be unnecessary to liquidate the State Petroleum Agency, Petroperu —

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that it will be transferred to the private sector "using any means" — despite a strong campaign against its privatization by the opposition.

He said the plan to auction 60 percent of the La Pampilla oil refining plant, in Lima — which belongs to Petroperu — will be held on 31 May as scheduled.

The next productive unit of Petroperu to be sold will be the factory that produces "Petrolube" lubricants whose sale, scheduled for early March, was postponed due to pressure by the opposition.

Gonzalez also disclosed that an informative campaign will be launched shortly to explain the scope of the privatization process and thus reverse the crisis this process faces due to the deadlock and the lack of support by the citizenry.

The minister explained that during the mentioned campaign it will be pointed out that the state will maintain control over 40 percent of the oil refining plants and that the pipelines will not be sold; only awarded for exploitation.

Thus, the government hopes to neutralize the opposition campaign which states that Petroperu will be fully sold and the country would lose control over the supply of fuels, which would allegedly affect national security.

Venezuela

Venezuela: Murders of National Guards at Border Condemned

PA2304233296 Madrid EFE in Spanish 1616 GMT 21 Apr 96

[FBIS Translated Text] Caracas, 21 Apr (EFE) — The Venezuelan Government today condemned the "murder" of two National Guard members during an ambush presumably perpetrated by Colombian guerrillas and stressed its demand for more military cooperation from the neighboring country. Acting Foreign Relations Minister Milos Alcalay told EFE that "the Venezuelan Government rejects and condemns these new murders. This new outburst from Colombian rebels who cross the border more frequently worries us."

"These new incursions not only violate Venezuela's sovereignty, but also adversely affect our citizens's lives. This is why we stress our demandHfor more military presence from Colombia at the border between the two countries," he added.

He recalled that the issue was broached at the meeting he held on 18 April in Caracas with Colombian Deputy Foreign Minister Diego Cardona, who pledged to attend to Venezuela's demands on this matter.

Alcalay also said that border insecurity will be one of the main issues that will be discussed at the meeting the foreign and defense ministers and border authorities of the two countries will hold during the third week of July the agenda, date, and place of which must be confirmed before late May.

The government report stated that the two Venezuelan guards died at an ambush a group of ten guerrillas allegedly perpetrated on the afternoon of 19 April at the Venezuelan banks of the bordering Tachira River, at a region located between the towns of Betania and Villa Paz, Tachira State.

The dead guards are corporal Jairo Antonio Lopez Corso and soldier Gregorio Antonio Barrientos Chacon. A third guard, who has not been identified, disappeared or was kidnapped, according to a report by Fidel Sanchez, an official of the Tachira State governor's office.

The report stated that the National Guard (military police) agents were caught by surprise when conducting a routine patrolling operation in this bordering area and that the group of attackers fled to Colombian territory following the attack.

The authorities believe that a guerrilla group participated in the ambush because of the type of weapons that were used. They failed, however, to report which one of the various Colombian armed organizations operating at the border region was responsible for the ambush.

Columns of the Revolutionary Armed Forces of Colombia (FARC), the Army of National Liberation (ELN), and the Popular Liberation Army (EPL), as well as drug traffickers and groups of common criminals, operate in the long Colombian-Venezuelan border, which extends for 2,219 km.

The attacks on border military posts, ambushes to military patrols, and kidnappings of Venezuelan cattlemen and industrialists are frequent. The most serious incident in the last 20 years occurred on 28 February 1995, when the Cararabo [as published] river post was attacked and an ELN column killed eight marines.

Venezuela: Ministry Says Colombian Rebel Attacks 'Serious'

PA2304232896 Caracas EL UNIVERSAL in Spanish 22 Apr 96 p 1D

[FBIS Translated Text] Acting Foreign Minister Milos Alcalay has described Saturday's Colombian guerrilla attack on Venezuelan military members as "serious." The attack took place in the southwestern section of the state of Tachira and claimed the lives of two National Guardsmen.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Alcalay rejected the "desperate, immoral, and illegal actions of these rebel groups and expressed his deepest sorrow for the incident.

We cannot and should not distance ourselves from such a shocking situation because of what it means to the country and what it means to lose the lives of soldiers who were defending our national sovereignty.

Alcalay stated that the border security issue is at the top of the Foreign Ministry's agenda and all efforts are being made to persuade the Colombian counterpart "to seek a definite solution that will prevent the constant acts of aggression by guerrilla groups.

The border incidents were analyzed during the third meeting on consultative political mechanisms between the deputy foreign ministers of Colombia and Venezuela on Thursday in Caracas. Colombian Deputy Foreign Minister Diego Cardona assured that his country will station a military force along the border areas.

Cardona showed an interest in the matter by visiting Defense Minister Moises Orozco Graterol and the top military leadership. Cardona stressed the importance of implementing additional security measures along the border.

Alcalay admitted that the Colombian Government is concerned about the problem, but he stressed the importance of finding the mechanisms that will prevent guerrilla actions from spilling across the border, as happens today.

He will meet on Monday with the general border directors from the area, in addition to other top diplomatic officials in order to assess the situation and prepare a statement to that effect.

Venezuela: Interior Minister Says 'Everything Calm'

PA2404041296 Caracas EL UNIVERSAL in Spanish 20 Apr 96 p 1-9

[FBIS Translated Text] Caracas — Interior Minister Jose Guillermo Andueza affirmed that "everything is calm throughout the country." He urged the people not to worry about the activities of "small groups," because, he said, these are held in check by the government.

Andueza presided over the celebration yesterday of the 186th anniversary of the Declaration of Independence held at Madariaga Square in El Paraiso. Asked about the disturbances at the Central University of Venezuela, he replied: "Everything is calm throughout the country. We have identified the small protest groups operating in certain areas. Consequently, they cannot be a source of concern or lack of calm for the Venezuelan people."

On unilaterally established fare increases in intercity bus routes, Andueza said any drivers caught applying this irregularity will be given penalties, such as suspended drivers licenses and license plate confiscations.

In addition, he said government plans include the creation of a police force trained in the handling of kidnappings, adding that the number of members of existing police bodies has decreased and that "it is necessary to correct this situation gradually."

"We cannot improvise policemen. It is necessary to train them at the country's various academies," he added.

Venezuela: Minister Signs Pact With IMF Representatives

PA2504024296 Caracas Venezolana de Television Network in Spanish 0230 GMT 23 Apr 96

[Report by Rosa Gonzalez]

[FBIS Translated Text] The Venezuela Agenda with the objective of signing an accord with the IMF was given the nod not just by this organization but also by the World Bank and the Inter-American Development Bank [IDB] following seven months of arduous negotiations.

The agreement signed in Washington between Finance Minister Raul Matos Azocar and the IMF representatives is preliminary to the signing of the letter of intent and entails an estimated assistance to the country of $1.4 billion.

"The News" has talked to Matos Azocar who has given us the details of this news from Washington.

[Gonzalez] Finance Minister Raul Matos Azocar has made the important announcement, adding that this is a key factor so our country can gain the credibility of foreign and local investors:

[Begin Matos recording] After the IMF general director, Michel Camdessus, announced the prior agreement, there was a positive response in the markets to guarantee and support the economic program. Camdessus announced that it would take from four to five weeks to submit the program in final form to the IMF board. [end recording]

[Gonzalez] The agreement includes social issues, as Venezuela had stressed. Matos Azocar said this objective was fulfilled with the backing of the World Bank and the IDB, which has pledged to contribute $3 billion for social programs:

[Begin Matos recording] During a news conference held at the IMF headquarters this morning, with the presidents of the World Bank and the IDB in attendance, the representatives of these organizations informed

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the international community of the backing they are providing us. We have reached a prior agreement on the president's announcements in the Venezuela Agenda program, which is a program for the stabilization and economic recovery of the country. [end recording]

[Gonzalez] Matos has denied the price of gasoline was raised to bring it to international levels. He has said the agreement consists of setting the price of fuel to export prices.

Venezuela: Conflicts Within MAS Viewed

96SM0248A Caracas EL NACIONAL in Spanish 6 Apr 96

[Received via Internet]

[FBIS Translated Text] It is hard for the Movement Toward Socialism [MAS] to disguise its deep hunger for slots in the bureaucracy, but even so, too many factors are sowing doubts today about its remaining in Dr. Caldera's government for very long.

Although the atmosphere inside the party is apparently calm, high-level leaders are admitting under their breath that their problems are bigger and more complicated.

The organization has never before experienced the incongruity of being at the peak of its power (with four governorships, four ministries, and the presidency of Congress) and, at the same time, of having very low popularity ratings. At the most recent national election (1993) it went from third to fifth place as a party, behind Convergence and Cause R.

In December it won the governorships of Lara and Portuguesa for the first time (besides already holding Sucre and Aragua), but even so its vote total fell by 2.72 percent from 1992 and 7.29 percent from 1989. In 1989 it won 706,893 votes, whereas in 1995 it reached only 471,280, a significant drop.

Personal leadership, of the regional variety above all, prevails in MAS — which has hurt cohesiveness and collective leadership. Its governors discharge their functions in accordance with their specific political interests, without following party lines or recommendations. Now that factions have been acknowledged and have consolidated, MAS has become a federation of groups.

In 1995, MAS got 2.82 percent of all votes cast in Carabobo, 0.88 percent in Bolivar, 1.3 percent in Barinas (1,745 votes), 1.69 percent in Tachira (3,587), and 2.4 percent in Monagas (3,736). One explanation of this falloff in votes could be that for some time now its natural constituency has not recognized it as a vehicle for expressing its discontent and protests. Nonetheless, the explanation of the party authorities can be summarized as follows: Times have changed, and there is no longer any room for romanticism, inasmuch as the struggle of the have-nots is real as power is attained and decisions are being made.

This is an existential conflict. The question that is floating in the air is whether the party's name (Movement Toward Socialism) and the principles in its bylaws still have currency. Its leaders no longer use the word "socialism," and instead talk of an encounter with new currents, and of flexible criteria. In other words, MAS has presumably shed its heavy, anachronistic ideological baggage in recent years.

Those who still appeal to dogma are becoming extinct in the MAS universe. For example, Moises Moleiro and Hector Perez Marcano — who contend that deteriorating ethics and permissive conduct are predominant in MAS — are drifting further and further from the organization. Moleiro and Perez Marcano have continually accused Carlos Tablante, Luis Salas, and others of corruption. Moleiro questions the accommodating pragmatism and "short-term thinking worthy of Cacaseno" that prevail in the national leadership.

Manuel Isidro Molina, the chairman of the Ways and Means Committee in the Chamber of Deputies, was part of this same trend towards atomization. A little over a week ago he resigned from the party and trumpeted his criticisms about a loss of values. He also spoke of the "debased and corrupt" style of "Tablante, who is associated with shady deals, contracts, and money to exert influence on life in MAS." He also accused Luis Salas and others of corruption.

Tablante, meanwhile, does not seem to attach much importance to such criticism, and does not miss an opportunity to present himself as the party's hope in 1998.

And although every analyst sees Cause R as an example of internal anarchy, it would not be overbold to say that MAS is just as much of an example, if not more so. Over the years the strength of its currents has led to factions and multiple subfactions, with rebels inside the latter, to boot, and thus the party has become atomized. All that keeps it united is, on the one hand, the factions' lack of strength and, on the other, the desire for shares of power.

The currents that make the organization work are "Horizonte 2000," which controls 35 or 40 percent of the apparatus; "Los Perros," with 20 or 22 percent of the apparatus; and D'Paola, who has a smaller percentage and has been losing influence. The so-called historic leaders, Pompeyo Marquez and Teodoro Petkoff, are

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

not permanently aligned, but their voices carry a great deal of weight.

Nevertheless, there are those who maintain that their status as members of the government obliges them to withdraw from party activism and to remain aloof from events inside the organization. Horizonte 2000 is headed by the secretary general, Leopoldo Puchi, and includes Simon Garcia, Segundo Melendez, Freddy Diaz, Nicolas Sosa, Luis Salas, Maury Briceno, Carlos Magdaleno, and Daniel Colmenares, among others. Puchi, a 44-year-old sociologist who has studied in France, is a politician of few words but with ample skills to fend for himself in the apparatus.

The faction called "Los Perros" is led by Ivan Gutierrez, along with Felipe Mujica, Cristobal Fernandez, Carlos Santafe, David De Lima, Jose Luis Meza, and Sobeida Marquez. Mujica is criticized for having spent eight years away from the party and for then having returned to factional activities in the top echelon of leadership.

The party's representative to the Supreme Electoral Council, Ivan Esquerre, was with D'Paola but has drifted away from him. He now has his own positions and is trying to create his own circle of influence, an effort in which he is accompanied by Leonardo Morales, Miriam Diaz, and Cesar Morillo.

Moreover, at times the so-called historic leaders also place themselves in the center of disputes and take stands, which prompts attacks on them. For example, at the moment the members of the Executive Committee and the national leadership are increasingly bothered by Pompeyo Marquez' meddlesome attempts in recent weeks to influence party decisions. A short while ago Minister Marquez made a public call for a national convention to consider Ochoa Antich's status, and was criticized by the Horizonte 2000 and Los Perros factions.

Now, after the machine's benevolent gesture towards Enrique Ochoa Antich, who was confirmed as secretary general, and with the president of the organization, Gustavo Marquez, still subject to the action of disciplinary bodies, the upper echelons of the party seem calm; and the undersecretary general, Leopoldo Puchi, has recalled that during its 25 years MAS has lived through harsh internal confrontations without any splits. Nonetheless, still waters run deep.

Ochoa and Marquez were chosen by party activists under specific circumstances as a solution to the struggle between factions, but they do not have their own source of strength. In the case of Ochoa, who is backed by Teodoro Petkoff, Carlos Tablante, Ramon Martinez, and Lolita Aniyar, among others, he was the successful candidate for secretary general in a race dominated by the rejection of Victor Hugo D'Paola and Simon Garcia as candidates. Gustavo Marquez, in turn, was the answer for those (like Teodoro Petkoff and D'Paola) who were opposed to the candidacy of Freddy Munoz. Thence arose a conflict in which Munoz, amid a feud with Petkoff, called for a review of the vote count, and resigned from the party without waiting to see the results — which declared him the winner. And if Munoz' departure did not lead to a split or even to internal trauma, in spite of his tangible influence in an important sector, then today nothing would lead one to believe that the factionalism predominating in MAS could lead to a rift.

Now then, in the near future some sort of disagreement could arise between the members of MAS who hold government office and those who control the party apparatus. If Petkoff, Pompeyo Marquez, and Simon Garcia were to decide to remain in their posts against the will of the party, the internal crisis would take on major proportions. So far they have shown total solidarity with the party, and Petkoff in particular has said that he will abide by and respect the policy of a pact with Copei and Cause R in Congress, which was imposed against his will.

Moreover, the most likely scenario is confrontations with the government that will lead to a break in the near term and a shift into the opposition. Given Petkoff's importance in MAS, there is a conviction in the party that he is the one who must exercise political leadership in the cabinet and hasten the decisions that the president has been postponing. What is more, Petkoff himself has defined his responsibility in this regard, describing it as involving not just planning but also functioning as a "great communicator" who comes "to seek out all sectors of the country, traveling all over the nation, because a requirement for the success of the program is not to deceive people and to explain both the good and the bad effects of the policies."

In order for him to exercise such leadership, President Caldera must accept it. But the difficulties in this connection can be seen in the form of resistance from Luis Raul Matos, the finance minister, who will no doubt find it unpleasant to be displaced from his high-profile role and to be deprived of any potential dividends from political success. Matos' performance has been lackluster, plagued by fits and starts, but Caldera has approved of it. Petkoff and Matos have good relations today. But their styles and characters are diametrically opposed, and accordingly it stands to reason that Petkoff could be compelled to resign rather than continue the indecisive, mistake-filled policy that has deepened the country's economic and social crisis.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Such a resignation would mean the breakup of the MAS-government alliance within a period that some analysts estimate at between three and five months.

Leaders like Leopoldo Puchi and Felipe Mujica have criticized the finance minister at internal meetings, and have even indicated that the advisability of a quick accord with the IMF is what for the time being is preventing a formal proposal to replace him.

People in MAS say that their number-one man joined the cabinet on the condition that he be the one to set the pace of government policy, in accordance with economic measures aimed at an immediate shock treatment.

Shortly after he was sworn in as minister, Petkoff remarked to his colleagues on the Executive Committee that because of the budget deficit, the consumption tax had to be raised to 16.5 percent and the price of a liter of gasoline to 70 bolivares, but that he thought a compromise at 40 bolivares a liter with a consumption tax of 14 or 15 percent was possible. He also estimated in those early days of the government that inflation would be 15 percent in April, May, and June alike, after which it would decline to two percent by December.

Several members of the MAS governing board admitted to the brand-new minister of Cordiplan [Office of Coordination and Planning] that they were worried about the efficient implementation of effective social programs to mitigate the rapid impoverishment that an economic plan marked by shock treatment would cause. What is more, some fear that a grassroots uprising could neutralize the government at any time, which for MAS would mean a sure trip to the graveyard of Venezuelan political parties.

Amid all these difficulties, however, no one knows whether MAS and Petkoff have actually been given a golden opportunity to win the presidency of the republic in 1998. If Petkoff, whose intelligence and political experience no one doubts, manages to avert the dangers and to work the miracle of straightening out the battered national economy, he could become a Venezuelan version of Fernando Henrique Cardoso or Domingo Cavallo.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.